

THE IMPACT OF CHINESE VALUE –
CUSTOMER REN ORIENTATION
ON HARMONY, BUSINESS RELATIONSHIP,
SERVICE QUALITY AND LOYALTY

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ABSTRACT

This thesis presents an empirical study of the effects of Customer Ren Orientation on Harmony, Business Relationship, Service Quality and Loyalty in the context of Chinese culture. Ren is a deeply embedded Chinese value in Chinese society. Actually, using Ren to deal with conflicts in various situations in the Chinese community is common. Nowadays, Chinese culture of Ren seems to emerge as a genuine gap that needs to be further investigated for the following reasons. Ren tends to affect business relationships between customers and service providers and consumers' evaluations of these relationships. Clearly, the research gap is not about having a new model for cultural values but about understanding the identified Chinese cultural value of Ren that affects business practice.

This study attempts to attain two objectives. The first objective is to construct a scale for Customer Ren Orientation as a tool for measuring the concept of Customer Ren Orientation because it is not available in the business-to-customer context. The second objective of the study is to develop a conceptual model of Customer Ren Orientation that conceptually correlates Customer Ren Orientation with Harmony, Business Relationship, Service Quality and Loyalty. This model comprises five constructs. The independent variable of Customer Ren Orientation and four dependent variables are used in the study. In other words, Customer Ren Orientation serves as an antecedent of Harmony, Business Relationship and Service Quality.

This study starts with a review of the previous literature on the concept of Ren with a specific emphasis on Chinese literature related to the research topic, followed by the discussion of the conceptual model of Customer Ren Orientation and other related constructs such as Harmony, Business Relationship, Service Quality and Loyalty.

In addition, a two-stage research design was adopted to gather relevant data using qualitative research and quantitative research. A two-stage research design was used. In the first stage, qualitative research included focus group discussions and expert opinions. In the second stage, quantitative research included the following activities: quasi-experimental design, sampling, questionnaire design, data collection and scale development. A total of 384 respondents successfully completed the interview.

The reliability and the validity of the measurement scales used in this research are considered reasonably good quality. The data fit the business model of Customer Ren Orientation well. GFI, CFI, SRMR, RMSEA and normed chi-

square (X^2/df) showed that the data fit reasonably well with the hypothesised model. The results of the data analysis indicate that all proposed eight hypotheses were supported. In this study, both AMOS and SmartPLS were adopted, and the latter is to deal with the interaction effect and the quadratic effect that cannot be dealt with by AMOS.

Finally, this study makes the following important contributions: firstly, there is a strong triangular relationship among Customer Ren Orientation, Harmony and Business Relationship. In other words, without Harmony and Business Relationship, the effect of Customer Ren Orientation on Loyalty will be greatly reduced. Secondly, Harmony has a quadratic effect on Service Quality, and Harmony is a nonlinear form has a direct effect on Service Quality. Thirdly, there is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is the relationship between Business Relationship and Service Quality which is moderated by Customer Ren Orientation. Lastly, a Customer Ren Orientation scale and a business model of Customer Ren Orientation have been developed on the basis of extant literature review and empirical research.

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Chapter 1 Introduction

In this thesis, an empirical study is conducted to explore the effects of Customer Ren Orientation on Harmony, Business Relationship, Service Quality and Loyalty in the context of the Chinese culture. Ren is a deeply embedded Chinese value in Chinese society. However, the concept of Ren has many problems. Firstly, Ren has always been misinterpreted as something highly negative (Lee, 2010; Lee, 2006; Lee and Sui, 2008; Law, 2002). According to Organ (1990), forbearance is defined as follows:

The willingness to endure the occasional costs, inconveniences, and minor frustrations attendant to collective behaviors.

Based on Organ's definition, forbearance seems to result in various negative effects or consequences such as personal costs, inconveniences and minor frustrations. In addition, many people think that Ren is the same as the Western word 'forbearance'. More importantly, the business implications of Ren have not been empirically explored yet. Studying Ren is important because when conflicts arise, the practice of Ren has the potential to resolve these conflicts in the Chinese community. Actually, using Ren to deal with conflicts in various situations in the Chinese community is common nowadays. Examples of such conflicts are those between two customers, between the service provider and customers, between the Government and citizens, and between the Government and a business organisation. The significance of Ren is represented by three real-life cases in Section 1.1 below. In this thesis, the following research question is explored:

What is the effect of the Customer Ren Orientation on their relationship and experience with service providers?

In this chapter, the first section discusses the significance of Ren. In the second section, the significance of the study is explored. In the third section, the objectives of the study are explained. The fourth section presents a brief overview of the constructs related to Ren and the fifth section explains the

business-to-customer context of the study. In the last section, the structure of this thesis is described.

1.1 Significance of Ren

Ren literally refers to the word forbearance in the dictionary. The detailed definition of Ren is provided in Chapter Two. Before we discuss the significance of Ren, stressing that harmony is another important Chinese cultural value that is correlated with Ren is important (Chow and Yau, 2005). When conflicts arise, the practice of Ren is a way of dealing with conflicts to maintain harmony. The significance of Ren is indicated by the following three real-life cases.

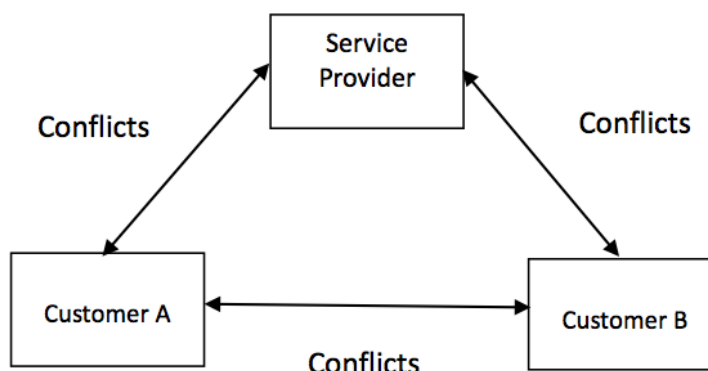
Case 1: ‘Four Mainland Chinese tourists jailed in Hong Kong for assaulting airport ground staff during flight delay’, reported by Chris Lau on 20 July 2015 (South China Morning Post, 2015)

Case 2: ‘Passengers unhappy after Scoot flight delayed for more than 21 hours’, delivered by Channel NewsAsia on 21 June 2015 (Channel NewsAsia, 2015)

Case 3: ‘Chinese passengers fight on Chongqing to Hong Kong flight’, revealed by Fauna on 17 December 2014 (ChinaSMACK, 2014)

The headlines of these three cases are related to the conflicts among various parties over flight delay in Hong Kong, Singapore and China. The first two news reports involve the conflict between the service provider and customers, and the third one presents the conflict among customers. The above conflicts resulted in loss–loss scenarios for both the service provider and customers (see Figure 1.1).

Figure 1.1: Conflicts between the Service Provider and Customers



Indications of Case 1: Conflicts between Customers and the Service Provider

In the first case, customers were dissatisfied with the flight delay. Four mainland tourists tried to force their way through the boarding gate and attacked the crew of a Hong Kong Airlines plane at the Hong Kong International Airport. Consequently, they were jailed for 39 days. The tourists' 'uncivilised behaviour' of attacking the ground crew caused serious consequences to themselves because they **did not practise Ren** to overcome the conflict between themselves and the service provider.

According to the Chinese literature, Ren has a significant role to play in resolving conflicts in our daily lives, particularly in shaping the morality of a Chinese person in Chinese society. According to The Analects (trans. Muller 2015), Confucius (孔子) once said to his disciple that if one is unable to tolerate a small disturbance, the greater good will be seriously affected as a result (小不忍,則亂大謀)《論語•衛靈公》. I will discuss the **meaning of Ren based on the Cihai Dictionary**, an authoritative and contemporary Chinese dictionary, with definitions that encompass basic word usage in Chapter 2.

One of the basic principles of marketing is to **meet the needs of customers** (Kotler and Armstrong, 2010). The abovementioned real-life cases indicate that the service provider was not sufficiently considerate in handling the flight

delay, and this response infuriated the passengers. In addition, the service provider empowered its employees to be bureaucratic and to infuriate their passengers by ignoring their reasonable requests. Passengers had no choice and were compelled to force their way forward, thus hurting others and themselves. I will discuss **Moving Forward of Instrumental Ren** in Chapter 3.

The moral value of Ren is always emphasised in Confucianism. Several famous writers have written on the subject to signify the importance of Ren. Wu Liang (吳亮) detailed what he saw as illustrative occurrences of Ren behaviour throughout his life, assembling them into a volume known as the 'Ren Bible' 《忍經》 (Zhao, 2013). Another masterpiece on Ren is Hui's (許名奎) 'One Hundred Stories of Ren' 《勸忍百箴》 (Xima and Lu, 2010), which educates people on how to practise Ren. The authors give thoughtfulness to the process of cultivating Ren, in which one learns to sacrifice 'one's small self' for 'one's greater self' (小我大我). Ren cultures are deeply embedded in the traditional Chinese community, both at the individual level and at the society level (Ng, 2014). At the individual level, Ren seems to be an important aspect in the Personal Activity Orientation, but it has not been explicitly expressed yet (Yau, 1988). At the society level, Ren is a value that is highly internalised and practised every day (Yang, 1992; Man, 1988; Leung, 1982). According to the influential Chinese school of thoughts such as Confucianism, people can practise Ren among themselves, families, or companies.

Ren from the religious perspective has an essential role to play in Buddhism and Daoism in the Chinese community aside from Confucianism. In Buddhism, as human beings have infinite desire, Ren provides a means for overcoming these desires. The goal is to pass beyond one's ordinary realm of experience (Harvey, 2012). In Daoism, Ren can help an individual to become a real person and a man of God (Hartz, 2009). The **interpretation of Ren in traditional Chinese philosophies** will be discussed in Chapter 2.

Indications of Case 2: Consideration of Ren

In Case 2, the reporter revealed that Scoot, a Singapore-based budget long-haul

airline, had customers who were frustrated about a 21-hour flight delay at Singapore Changi Airport. Scoot (Flight TZ8) already has a poor reputation because of its flight delay in the recent past. Scoot apologised for this incident and explained that the delay was mainly attributed to technical problems at Changi Airport. The allowed compensation was only a S\$10 meal voucher and a letter of disruption for each affected passenger. Is this compensation reasonable to the affected customers? In this case, the service provider seemed to turn a deaf ear to its customers' dissatisfaction and their explicit verbal complaints. Clearly, the service provider did not know much about Ren. From the start, while the customers had been waiting unwillingly at the boarding gate, the service provider should have been conscious about providing them with extra services to take care of their needs, such as hot meals, ticket discounts, membership, insurance coverage, ticket upgrade, meal upgrade, VIP room facilities or accommodation, sending customers to another plane through coordination with another airline company, and so on. The consideration of Ren can lead to some remedial action to compensate for the loss of the customers. Setting up a 'Caring Service Team' or a 'Crisis Management Team' is a possible long-term solution for this kind of conflict. Again, I will discuss **Moving Forward of Instrumental Ren** in Chapter 3.

The reporter of the second case commented, 'The duty of care provided and inhumanity of this business model (budget airline) is (are) alarming...' (Channel NewsAsia, 2015). Even worse, 'The management just walked away without providing hotel accommodation to transit passengers and Singaporeans were asked to go home' (Channel NewsAsia, 2015). Afterwards, of course, negative word-of-mouth messages spread through the Internet. As a result, the established image of the service provider was damaged overnight. Therefore, service providers need to know the actual meaning of Ren. Again, the **meaning of Ren based on the Cihai Dictionary** will be discussed in Chapter 2.

As shown in the second case, if the service provider had understood the role of Ren in the relationship between it and its customers, Service Quality would definitely improve. From the sociological perspective, Ren can help soften the tense atmosphere whenever conflicts arise and establish harmonious

interpersonal relationships in society (Hwang, 2009). According to Hwang, Cheng and Hwang (2008), Ren can help resolve conflicts and disagreements. Indeed, people do not live on an island, but they should learn to live with other people. Ren facilitates the harmonious relationship among people in society (Chow and Yau, 2005; Yau, Chan and Lau, 1999). I will discuss the **relationship between Ren and Harmony** in Chapter 3.

Indications of Case 3: Ren and Customers Relationship

In Case 3, a Dragonair flight from Hong Kong to Beijing was delayed for over three hours. At the same time, a woman ignored the cabin crew's request to close the door of the toilet, and the woman was involved in a severe verbal argument with other customers.

The third case is a **conflict among customers themselves**. After receiving complaints from other passengers on the plane, the flight attendant acted appropriately by calling the police to escort the woman and her child to alight from the plane. This conflict created among customers was resolved aptly by the service provider, as Dragonair understood that some customers' behaviours were undesirable, and other customers would be unable to tolerate the smell of the toilet for so long. The emergence of consumer conflict is recent and has become an important topic in consumer behaviour. I will discuss the **relationship between Ren and Business Relationship** in Chapter 3.

The service provider eventually apologised to the customers affected by the three-hour flight delay. The important thing is the sensitivity of the service provider, which paid attention to the tolerance level of the customers. Thus, the action taken by the service provider won applause from its customers. Consequently, customers are more likely to patronise the company again because of their previous good experience. More importantly, this conflict can also be resolved by a trained crew. Therefore, the more appropriate the actions are, the better the behaviour and the better the management. This instance is related to the value of Ren. I will discuss the **relationship between Service Quality and Loyalty** in Chapter 3.

1.2 Significance of the Study

The above three cases indicate two kinds of conflicts: conflict among customers and conflict between customers and the service provider. For the former, conflicts adversely affect customers' experience with the service provider, and they will doubt if they are the right target customers of the company and are more likely not to patronise the company again in the future. For the latter, the effect of conflicts is more direct and severe that customers will reconsider patronising the company again. Consequently, the service provider may lose its customers. In these conflicts, the ultimate loser is the service provider.

As well as the obvious negative consequences of conflict in service relationships, it is also worth noting that conflict may have additional negative consequences because of the dissonance with harmony, which is generally considered to be of significance (certainly to the Chinese community) to business and services relationships. Ren is of particular significance because it is largely seen as an attitude and behaviour which mitigates conflict and encourages harmony.

The development of a **scale for Customer Ren Orientation** and a **conceptual model of Customer Ren Orientation** that can explain the relationship among the variables of **Harmony, Business Relationship, Service Quality and Loyalty** is urgently needed. Now, the Chinese culture of Ren seems to emerge as **a genuine gap** that needs to be further investigated for the following reasons. Ren tends to affect business relationships between customers and service providers and consumers' evaluations of these relationships. Clearly, the research gap is not about having a new model for cultural values but about understanding the identified Chinese cultural value of Ren that affects business practice.

Development of a Scale for Customer Ren Orientation

Firstly, **Ren has yet to be investigated** according to the Chinese literature in the marketing and management context. Ren is a typical Chinese value of man-to-himself, but the concept is rarely mentioned in the value orientation

model (Kluckhohn and Strodtbeck, 1961). Thus, the Chinese value of Ren seems to come forth as a genuine gap for further investigation.

Secondly, in Chinese society, **Ren is a value that is highly internalised and practised daily** (Yang, 1992; Man, 1988; Leung, 1982). The daily practice of Ren in the Chinese culture enhances one's determination, energy, happiness and self-respect (Yang, 1992). Without deeper understanding of Ren, using modern research methodology to explore the Chinese literature seems incomplete.

Thirdly, **Ren is an important value at the individual level**. Ren is a value categorised under the personal activity orientation, but it has not been explicitly expressed (Yau, 1994). The Doctrine of the Mean (trans. Legge 1969) is highly related to and is reflected by Ren. Literally, the Doctrine of the Mean means 'without leaning against one side' (Legge, 1969). According to Confucianism, a person should follow and not disobey proper rules (Legge, 1969). In order to live harmoniously with other people, practising Ren is properly the right thing to do and it will be explained in depth in a later section on the perspective of Confucianism on Ren.

Fourthly, referring to the extant literature reviewed in Chapters 2 and 3, Ren has some similarities with the meaning of forbearance, but the meaning of **Ren is deeper in the Chinese context** (Hartz, 2009) such as **Acceptance of Dissimilarity in Personality** (Zhao, 2013), **Observation of Role Order** (Riel, 1996) and **Adherence to Rationality** (Moa, 2002). However, Ren has not been empirically examined in the Western academic world. Even a few decades after the establishment of the value orientation model (Kluckhohn and Strodtbeck, 1961), this gap has not yet been filled. Therefore, this study places significant emphasis on the importance of the Chinese value of Ren. As no study has measured Ren before, **a scale for Customer Ren Orientation** must be constructed.

Development of a Conceptual Model of Customer Ren Orientation with Other Variables

Furthermore, **studies on Ren based on the major Chinese philosophies are lacking**. As explained by Yang (1992), the Chinese culture stresses quality and the value of a group or social orientation. In this sense, **Ren is not a standalone value**. Therefore, I want to build a model of Ren in the business-to-customer context. This concept has not yet been studied in empirical research. **A conceptual model of Customer Ren Orientation** can explain the relationship between Ren and other constructs or elements, such as **Harmony, Business Relationship, Service Quality and Loyalty**, which will be empirically studied in depth in Chapters 3 to 5.

1.3 Business-to-Customer Context

The setting of this research is the business-to-customer context. This study focuses on the ways how customers evaluate their Ren Orientation and Harmony as well as their perceived relationship with, and loyalty to, the service provider. A Hong Kong-style restaurant or Cha Chann Teng (CCT) is chosen as the service provider for this research because of its popularity and partly because of its reflection of the Hong Kong people's consumption culture (McLane, 2008). Most CCT customers, the unit of analysis, speak Cantonese, and therefore any cultural gap or misunderstanding can be minimised.

Styles of Restaurants in Hong Kong

In general, Hong Kong has three styles of restaurants: Chinese style, Western style and Hong Kong style. A Chinese-style restaurant is a common gathering and chatting place for a group of 2 to 10 friends or relatives to drink Chinese tea and eat snacks such as dim sum. Customers have a tendency to stay for hours in this type of restaurant. A Western-style restaurant mainly provides Western food such as burgers, spaghetti and steak; dim sum and congee are not normally served. Moreover, Western food is served individually in a Western-style restaurant, whereas Chinese food is shared amongst a group of friends or relatives in a Chinese-style restaurant. A Hong Kong-style restaurant does not serve dim sum but offers other local food such as toast,

milk tea, spaghetti, congee, noodles and rice, among others. As mentioned by McLane (2008), different Cantonese words refer to ‘place to eat’, for instance, cha chaan teng, jau ga, chaan teng, dai paai dong and jau lau. Originally built as an ice chamber (冰室, bing sud), a Hong Kong-style restaurant is also called a CCT or a café in Hong Kong. A CCT reflects a part of the Hong Kong culture (McLane, 2008; Beerman, 2012). It is an appropriate context for conducting this study because it is a classic in Hong Kong. Moreover, it is a source of nostalgia for Hong Kong people because it serves local beverages such as naai cha (milk tea), leng cha (lemon tea), yun yeung (a blend of coffee and black tea) and local food such as jyuh pa yi mihn (pork chop with noodles) (McLane, 2008).

1.4 Objectives of the Study

This study has two objectives.

The first objective is to construct a scale for Customer Ren Orientation as a tool for measuring the concept of Customer Ren Orientation because it is not available in the business-to-customer context. A scale for Customer Ren Orientation will serve as an instrument to measure the level of Ren in customers. In a practical sense, management can understand how to maintain a harmonious relationship with customers through the indication of the Ren level. The scale for Customer Ren Orientation is also important for understanding customers’ evaluation of other related variables such as service quality and loyalty.

The second objective of the study is to develop a conceptual model of Customer Ren Orientation that conceptually correlates Customer Ren Orientation with Harmony, Business Relationship, Service Quality and Loyalty. This model comprises five constructs. The independent variable of Customer Ren Orientation and four dependent variables are used in the study. In other words, Customer Ren Orientation serves as an antecedent of Harmony, Business Relationship and Service Quality. The hypothesised links among all attributes in the model will also be empirically tested. Given no prior efforts have been made by other researchers to create a comprehensive

conceptual model of Customer Ren Orientation and its impact on Business Relationship as essential attributes of service performance, this study attempts to contribute to the literature on Service Quality by elaborating on the concept of Customer Ren Orientation. Moreover, this study suggests further research and recommendations for marketers and managers to make strategic business decisions.

1.5 Structure of the Thesis

This thesis comprises six chapters. The first chapter introduces an outline of the study, explains the significance of Ren and the significance of the study, and presents the business-to-customer context, objectives of the study and the structure of the thesis to scholars and business practitioners.

Chapter Two reviews the previous literature on the concept of Ren with a specific emphasis on Chinese literature related to the research topic. Extant literature is meticulously depicted in the chapter as it charts the development of the study. Chapter 2 has six sections. The first section provides an overview of the Chinese cultural values and the research gaps, justification and research question. In the second section, the concept of Ren is explored by discussing its denotation and linguistic meanings. The third section characterises Chinese and Western cultures as they relate to the concept of Ren. In the fourth section, the interpretations of Ren from the different perspectives of influential schools of thought in ancient China are depicted. The fifth section reviews the theories that explain Ren in the Western culture. The last section summarises the chapter.

Chapter Three discusses the conceptual model of Customer Ren Orientation and other related constructs such as Harmony, Business Relationship, Service Quality and Loyalty in depth. This chapter has seven sections. Firstly, an overview of the conceptual model of Customer Ren Orientation is introduced, followed by the explanation of the five constructs of the model, namely, Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty. As Harmony is another important Chinese cultural value that is correlated with Ren (Chow and Yau, 2005) and has been widely studied

previously (Chow and Yau, 2005; Fang, 2000; Ching, 1995; Tang, 1996), this research only follows other scholars' work in the Chinese value of Harmony, which will be discussed later in Chapter Three. To make readers easily understand business orientation, all constructs of the business orientation are lined up and linked. Firstly, the literature review of constructs is explored. Secondly, the relationship between the constructs based on the literature review is discussed. The sequence of presenting the constructs and the relationship between the antecedents and the outcomes is listed one after the other.

In Chapter Four, the research design is first concisely described. Secondly, the different measurement techniques such as the qualitative and quantitative research methods are discussed. For the qualitative research methods, focus group and expert opinions are discussed; for the quantitative research methods, the quasi-experimental design, the questionnaire design and the structure of questionnaire are discussed. Then, sampling and the steps adopted to gather data are discussed. Lastly, different statistical methods are presented.

Chapter Five first describes in detail the responses of the street-intercept survey. In the second section, the results of the survey, including the manipulation check, reliability of the adopted scales and development of the Customer Ren Orientation scale, are explored. In the third section, the structural model of the Customer Ren Orientation Scale is elucidated. In addition, the direct, indirect and total effects are discussed. Finally, the results of the summary are presented.

Chapter Six concludes the study and provides some suggestions for future research. The first section recapitulates the summary of the research findings, followed by the implications of both theoretical aspects, marketing and management practices of business are discussed. Finally, the limitations of the research and future research are highlighted.

Chapter 2 Concepts of Ren (忍)

This research focuses on marketing relationships and the role played by the distinctive Chinese cultural value of 'Ren'. This concept creates impact on relationships among individuals. To understand the extent to which such cultural values affect marketing relationships, we need to understand the nature of the Chinese culture, specifically the nature of Ren. Further, we consider Chinese Ren based on the extant literature.

Chapter 2 has six sections. The first section provides an overview of Chinese cultural values, along with the research gaps, justification, and research question. In the second section, the concept of Ren is explored by discussing its denotation and linguistic meanings. The third section characterises Chinese and Western cultures as they relate to the concept of Ren. In the fourth section, the interpretations of Ren from the different perspectives of influential schools of thought in ancient China are depicted. The fifth section reviews theories that explain Ren in Western culture. The last section summarises the chapter.

2.1 Literature on Chinese Cultural Values

During the past decades, scholars have addressed the significant impact of cultural values on business practice, particularly on business relationship (Hofstede, 1980; Evans et al., 1987; Shane, 1994; Newman and Nollen, 1996; Kessapidou and Varsakelis, 2002). Cultural values affect the conduct of different kinds of businesses, regardless of firm types, such as business-to-business (B2B) or business-to-customer (B2C). Therefore, intercultural understanding is essential. Nonetheless, culture is complex and is difficult to analyse and predict, but greater understanding is needed for understanding the role played by cultural values. This phenomenon is more apparent in Chinese cultures that provide the scale and pace of the economic development of China (Yau, 2005).

Aspects of the Chinese culture have a significant impact on business relationships. According to Confucianism, human beings are socially connected, and in this sense, establishing good relationship in business is an

important social investment in the community (Yau et al., 2000). In the Chinese community, personal influence is sometimes more vital than legislative influence. Good business relationships can even resolve bureaucracy in private and public sectors. Chinese people are good at using their personal relationships to ask influential people for favours. For Chinese people, a business relationship can add value to the goods and services in the business transaction (Luk et al., 2008; Chow and Yau, 2005). The typical Chinese network of business and personal relationships, which is known as ‘guanxi’, can safeguard people’s interests in Chinese business context (Luo et al., 2012; Park and Luo, 2001; Lovett et al., 1999; Bedford, 2011).

First in the series, the most extensively quoted models of cultural values in the academic literature include Kluckhohn and Strodtbeck (Kluckhohn and Strodtbeck, 1961; Watkins and Gnoth, 2011), Hofstede’s Cultural Dimensions (Hofstede, 1980), Rokeach Value Survey (RVS; Rokeach, 1973), Chinese Value Survey (CVS; Bond, 1988), Chinese Cultural Value Scale (CCVS; Yau, 1994), and Schwartz Value Survey (SVS; Schwarz, 1992). All models will be elaborated one-by-one in the following paragraphs.

Based on the value orientation model of Kluckhohn and Strodtbeck (Kluckhohn and Strodtbeck, 1961; Watkins and Gnoth, 2011), Chinese cultures can be classified into five orientations. These orientations are man-nature, man-himself, relational, time, and personal-activity. Man-nature orientation refers to the relationship between people and nature. Man-himself orientation refers to the relation of a person to himself or herself. Relational orientation refers to the relationship of a human being to others, while time orientation means the time preference of people among past, present, or future time. Finally, personal-activity orientation relates to the motivation for behaviour.

Kluckhohn and Strodtbeck (1961) forwarded five fundamental problems by which to understand further cultural values:

1. Man-nature orientation: What is the relationship between human beings and their natural landscape, harmony, domination, or obedience?

2. Man-himself orientation: What is the original nature of human beings—evil, good, or a combination of both?
3. Relational orientation: How should people get along with others—based on their individuality, in pecking order, or as the same?
4. Time orientation: On what orientation of time should a society primarily aim at—future, present, or past?
5. Personal-activity orientation: What is the key motive for our behaviour—to convey one's existence, to develop, or to accomplish?

Yau (1994) further elaborated the model into 12 sub-dimensions, which will be explained in detail in a later section.

Next, Rokeach (1973) classified the value system into two dimensions of values, namely, terminal and instrumental, in the Rokeach Value Survey (RVS; Rokeach 1973). Terminal values refer to ideal end-states of presence, which are goals people could attain throughout their lifespan. For instance, these goals could include mature love, true friendship, happiness, self-respect, and so on. Importantly, terminal values are culture-specific. Meanwhile, instrumental values refer to desirable actions for attaining terminal values. For instance, these values include ambition, cheerfulness, cleanliness, self-control, love, and so on. Each dimension of values has 18 terminal and 18 instrumental value items. Ren may belong to self-control under the instrumental value items. Although Rokeach's scale is related to the Chinese culture, Ren is not explicitly considered. Many cultural values mentioned in the above dimensions are primarily western-oriented, and therefore, establishing a genuine Chinese cultural values system based on Chinese perspectives is needed (Chan and Rossiter, 1998). The Customer Ren Orientation developed in the current thesis is based on the dimensions of terminal and instrumental values of the Rokeach cultural value system, which will be discussed in depth in the next chapter.

Third, the Hofstede cultural model is one of the most frequently quoted cultural models in the literature. The original Hofstede Cultural Dimensions (Hofstede, 1980) included four cultural dimensions, namely, power distance,

uncertainty avoidance, masculinity versus femininity, and individualism versus collectivism. Subsequently, Hofstede and Bond (1988) considered the fifth dimension as Confucian dynamism, which is known as long-term versus short-term orientation. With the help of Minkov's work, another study (Hofstede, Hofstede and Minkov, 2010) ascertained the sixth dimension: indulgence versus restraint. Although the Hofstede model has been commonly quoted as one of the most inclusive value frameworks, the model has several major drawbacks as listed below.

- Sample bias was inevitable and survey results may be doubtful given that data of the original Hofstede Cultural Dimensions were exclusively collected from IBM employees in the 1960s and 1970s.
- Hofstede's (1980, 1994) dimension of individualism versus collectivism is a polar scale. Hofstede (1980) did not mention that Ren is one of the fundamental Chinese cultural values in the Hofstede Cultural Value dimension scale. However, Hofstede's scale is only a general description of cultural attributes without clearly explaining Ren, which is one of the important Chinese cultural values. Yang (1992) found that, rather than collectivism, Chinese people belong to social orientation, which refers to the interaction between the authority and the subordinate; furthermore, in Chinese society, people often rely on this relationship (Yang, 1992).
- Most cultural values mentioned in the Hofstede Cultural Dimensions seem to be primarily western-based, and thus, establishing a Chinese value system from a genuine Chinese perspective is very important (Fang, 2003).
- In addition, the scale of Hofstede's four dimensions is not wide enough to depict the genuine Chinese culture as compared with Rokeach's terminal and instrumental values, which comprise 36 value times.

Fourth, Chinese people Value Survey (CVS) scale established by Bond (1988) is divided into four subscales, namely, CVS1 to CVS4. The survey consists of 39 value statements, which are particularly based on the Chinese culture. CVS1 relates to integrity and tolerance, CVS2 measures Confucian ethos,

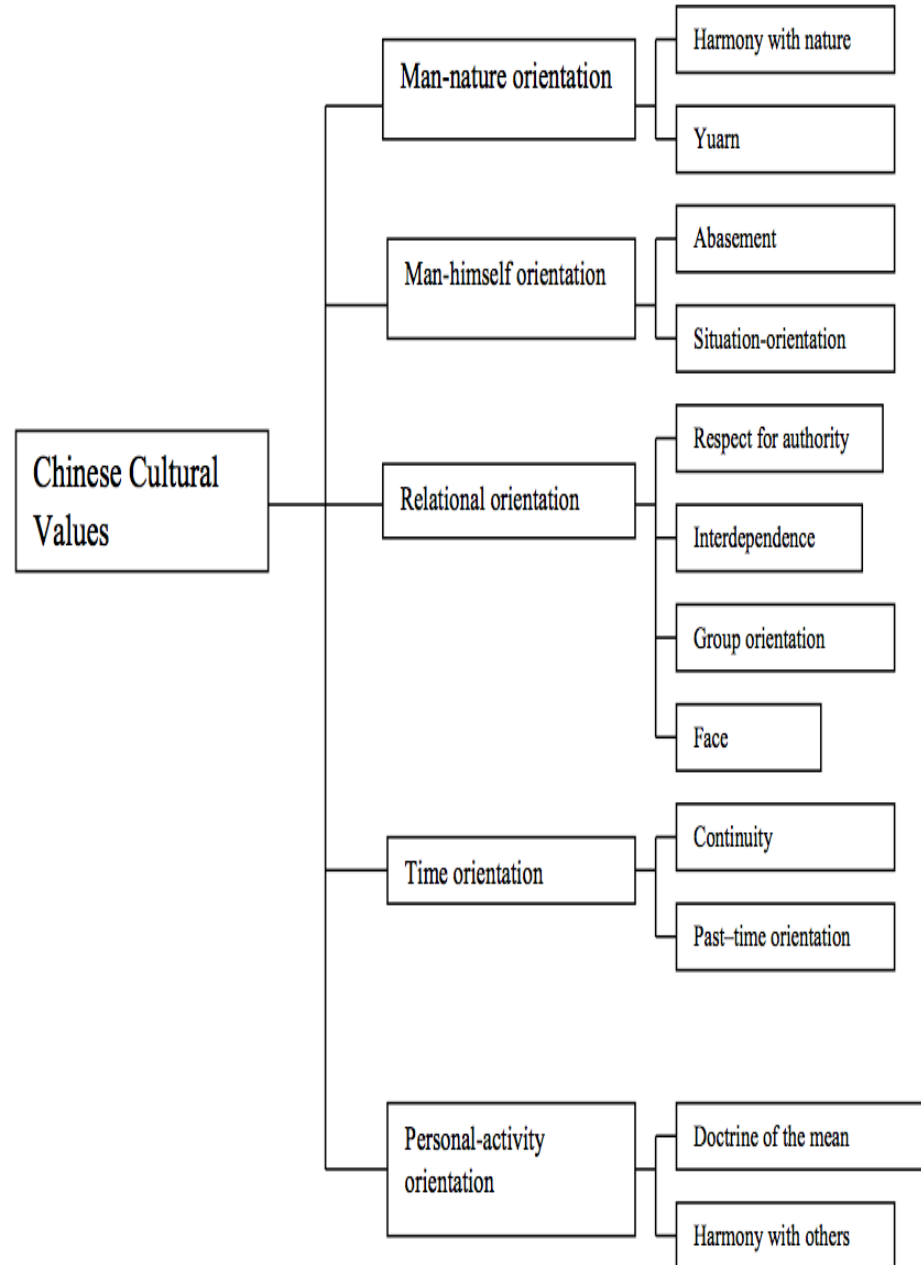
CVS3 characterises loyalty to ideals and humanity, and CVS4 embodies moderation and moral discipline. CVS1 has 17, CVS2 has 10, CVS3 has 9, and CVS4 has 3 value statements. This cultural value system suffers from the following weaknesses.

- Some of the attributes in the CVS scale overlap. For example, tolerance is mentioned in the dimension of integrity and tolerance, but both tolerance and Confucian ethos are not separately represented in CVS.
- Although tolerance has a similar meaning as that of Ren, tolerance is only signified in the first dimension of the CVS. However, in CVS2, Confucian ethos does not include Ren even if Confucianism places much emphasis on Ren.
- Given that CVS seems not to be driven by theory, some of Chinese culture values may be either over-representing or lost (Chan and Rossiter, 1998).

Fifth, in the Schwartz Value Survey (SVS; Schwarz, 1992), Schwartz discussed 10 types of universal values, namely, power, self-direction, universalism, hedonism, stimulation, tradition, conformity, benevolence, achievement, and security. Similarly, Ren is not even mentioned even though SVS claims to be a universal value system (Schwarz, 1992).

Finally, according to the Chinese Cultural Value Scale (CCVS) (Yau, 1994, 1988), Yau (1994) presented 40 statements and 12 dimensions of Chinese cultural values, which were developed from the five dimensions of the value orientation model of Kluckhohn and Strodtbeck (Kluckhohn and Strodtbeck, 1961). To operationalise the dimensions of Chinese values, Yau gathered 100 Chinese proverbs and invited a panel of Chinese experts in Hong Kong to screen out the final values from 66 items to 40 items (Yau, 1994). Although the results of the survey genuinely reflected Chinese values, the CCVS was not fully operationalised. Yet, Yau (1988) did not attempt to make a separate construct for the concept of Ren in the CCVS (CCVS; Yau, 1994). A further elaboration of the value orientation model of Kluckhohn and Strodtbeck is depicted in Figure 2.1.

Figure 2.1: Classification of Chinese Cultural Values



Adopted from Yau (1994, p.68)

Man-nature Orientation

Man-nature orientation includes two sub-dimensions: Harmony with nature (Chow and Yau, 2005) and 'yuarn'. Man and nature can be described as a 'unified system of cosmology with all sorts of analogies between the natural and human worlds' (Rubin 1982). Interaction between man and nature exists. Contrary to Western philosophy, Chinese philosophy suggests that man needs to adjust to nature, but not conquer it (Yau, 1994). In addition, Confucius explains, 'Man reveals the Tao but the Tao does not reveal man. 人能弘道, 非道弘人' (Analects 15.29, trans. Muller 2015). Given that harmony is another important Chinese cultural value that has close relationship with Ren, which has been widely researched before (Chow and Yau, 2005; Fang, 2000; Ching, 1995; Tang, 1996), the current thesis only follows the studies of other researchers on the Chinese value of harmony, which will be discussed in Chapter 3.

The second important element of man-nature orientation is yuarn (緣), which refers to the causes of two things happening at the same time (Cheng and Yau, 2006). Yuarn is similar to karma, which is an important belief in Buddhism. In the Chinese culture, people believe that even though two persons are separated by thousands of miles, they can still meet with each other if there is yuarn. Of course, this idea might be supernatural, but this belief is an important part of the Chinese culture.

Man-himself Orientation

Man-himself orientation relates to abasement and situation orientation (Yau, 1994). Abasement refers to the humbleness of a person. Chinese people believe that both self-effacement and modesty are essential virtues that are cultivated when children are young. Situation orientation explains that human beings respond differently under different circumstances (Hsu, 1963). Chinese people are pragmatic rather than idealistic when dealing with reality (Hsu, 1963), and compromise is commonly applied in different social contexts. Many areas in the man-himself orientation have not yet been fully developed and therefore this research will focus on this orientation.

Relational Orientation

In general, guanxi refers to relationship orientation in the Chinese culture. In Chinese society, guanxi is a specific interpersonal bond that builds expectations and responsibilities to ease the exchange of individual resources (Lovett, Simmons and Kali, 1999). Guanxi can enhance business performance (Luk et al., 2008; Su and Littlefield, 2001; Lee et al., 2001; Park and Luo, 2001; Xin and Pearce 1996; Yeung and Tung, 1996), making it a distinctive characteristic of Chinese community (Lovett, Simmons and Kali, 1999). The guanxi network qualifies business firms to access resources via collaborations and exchanges (Tsang, 1998; Lee, Pae and Wong, 2001; Park and Luo, 2001; Wang, 2007; Li, Poppo and Zhou, 2008). Guanxi is also a unique way to bond business partners cohesively through reciprocity (Tsang, 1998; Luo, 1997; Yang, 1994).

Relational orientation comprises four elements, namely, respect for authority (Foo and Kazantzis, 2007), interdependence (Lovett, Simmons and Kali, 1999; Tsang, 1998; Luo, 1997; Yang, 1994), group orientation (Chang, 2011; Tsang, 1998; Lee, Pae and Wong, 2001; Park and Luo, 2001; Wang, 2007; Li, Poppo and Zhou, 2008), and face (Ji, 2000; Hu, 1944; Kwek and Lee, 2010). Respect for authority refers to the Chinese tendency to have strong respect for authority, e.g., parents and teachers. Moreover, Chinese people greatly rely on or trust the authority. This Chinese tradition can be justified by the Confucian five cardinal relationships. Interdependence refers to the Chinese norm of 'doing favours' (人情). Chinese people are very conscious about honoring each other by means of giving gifts or red packet money (利是). In the business world, Chinese people believe that 'doing favours' can facilitate or ease transactions. The group orientation is similar to Hofstede's collectivistic trait of Chinese people. In this sense, the first priority of Chinese people is to safeguard their own kinship. A Chinese saying, 'People who carry the same surname are far more intimate than other people who carry different surnames', can truly reflect this rule-of-thumb, close kinship relationship. In other words, a more similar ground prevails between two parties, and it is

more likely that these groups have tight guanxi (Jacobs, 1979).

The third element of relational orientation is face, which includes 'lien' (臉) and 'mien-tsu' (面子) (Hu, 1944). Lien refers to the society judgment on individual morality and if the person loses one's integrity, one will find difficulty in pursuing a norm in society (Hu, 1944). Meanwhile, mien-tsu represents the prestige or reputation acquired from accomplishments and showiness (Hu, 1944). When comparing lien and mien-tsu, the former is more vital than the latter as the latter can be redeemed more straightforwardly when a person misses it (Kwek and Lee, 2010). Although relational orientation has been well developed since Yau (1994), 'mien-tsu' needs further empirical investigation in the marketing context.

Time orientation

Time orientation discusses past-time orientation and continuity. Traditionally, Chinese people prefer more past-time orientation (Yau, 1994) and respect for their culture and thousands of years of Chinese history (Van Oort, 1970). Typical examples include the worship of ancestors and strong family traditions. Continuity signifies that Chinese people appreciate or believe that the connections with objects and other people last for a lifetime. For example, Chinese people may say, 'Once you are my teacher, I will consider you like my father forever'.

Personal-activity Orientation

Personal-activity orientation includes the Doctrine of the Mean (trans. Legge 1969) and harmony with others (Chow, and Yau, 2005). The Doctrine of the Mean literally translates to 'without leaning against one side' (Legge, 1969). According to Confucianism, a person should follow and not disobey proper rules (Legge, 1969). Harmony with others refers to the relationship between a person and other people (Fang, 2000), and is considered an important element among Chinese. Confucius mentions, 'Harmony is the value of performing the rites 禮之用，為貴(Analects 1.2, trans. Muller 2015)' (Fang, 2000; Ching, 1995). Tang (1996) found that self-cultivation is a means to enhance

interpersonal relationships among Chinese people. In other words, maintaining harmonious relationships with others is the goal. As mentioned, harmony is another key Chinese cultural value, which will be depicted in the next chapter.

2.1.1 Research Gaps in the Classification of Chinese Cultural Values

As discussed previously, for the Classification of Chinese Cultural Values (CCCV), Yau (1994) suggested 12 dimensions of Chinese cultural values developed from the five dimensions of the Value Orientation Model of Kluckhohn and Strodtbeck (Kluckhohn and Strodtbeck, 1961). Clearly, Ren is highly related to Yau's CCCV, as research gaps can be found in CCCV. Yet, Ren has not been specifically mentioned nor researched before in CCCV. Scholars have extensively studied some of the dimensions. The results and research gaps are listed in Table 2.1.

Table 2.1: 12 Dimensions of the Classification of Chinese Cultural Values Developed by Yau (1994)

12 Dimensions of Chinese Cultural Values	Studies that Cover the Dimensions	Research Gaps
Man-nature Orientation		
1. Harmony with nature	Hofstede, 1980; Chow, 2004; Barnes et al., 2011	<i>Has been researched before</i>
2. Yuarn	Cheng and Yau, 2006	<i>Has been researched before</i>
Man-himself Orientation		
3. Abasement	Hsu, 1963; Yau, 1994	<i>Has been researched before</i>
4. <i>Situation-orientation</i>	<i>Missing</i>	Gap: Ren has not been specifically mentioned nor researched before
Relational Orientation		
	Luk et al., 2008; Su and Littlefield, 2001; Lee et al., 2001; Park and Luo, 2001; Xin and Pearce 1996; Lee, et al., 2001; Yeung and Tung, 1996; Lovett, Simmons and Kali, 1999	
5. Respect for authority	Foo and Kazantzis, 2007	<i>Has been well developed</i>
6. Interdependence	Lovett, Simmons and Kali, 1999; Tsang, 1998; Luo, 1997; Yang, 1994	<i>Has been well developed</i>
7. Group orientation	Chang, 2011; Tsang, 1998; Lee, Pae and Wong, 2001; Park and Luo, 2001; Wang, 2007; Li, Poppo and Zhou, 2008	<i>Has been well developed</i>
8. Face	Ji, 2000; Hu, 1944; Kwek and Lee, 2010	<i>Has been well developed</i>
Time Orientation		
9. Continuity	Van Oort, 1970	<i>Seldom been examined in the past</i>
10. Past time orientation	Yau, 1994	<i>Seldom been examined in the past</i>
Personal Activity Orientation		
11. Doctrine of the Mean	Legge, 1960; Chow, 2003	Gap: Seldom been examined in the past; Ren adopts the Doctrine of the Mean
12. Harmony with others	Chow, 2003; Fang, 2000; Ching, 1995; Tang, 1996;	<i>Has been researched before</i>

Adapted from Yau (1994, p.68)

Among all the values in the Value Orientation Model, relational orientation has been frequently researched, and is easily understood as the concept that is related to the enhancement of business (Barnes, Yen and Zhou, 2011; Wang, 2007; Sin, et al., 2005; Yau, et al., 1999). For man-nature orientation, harmony (Barnes et al., 2011; Chow, 2004; Hofstede, 1980) and yuarn (Cheng and Yau, 2006) have also been studied by researchers. However, man-nature orientation is not the primary focus of this thesis. Nonetheless, harmony is a significant Chinese cultural value, and therefore, will be elaborated in Chapter Three.

Relational orientation is called guanxi in the Chinese culture. Scholars have extensively studied all four major elements of relational orientation, namely, respect for authority, interdependence, group orientation, and face (Luk et al., 2008; Su and Littlefield, 2001; Lee et al., 2001; Park and Luo, 2001; Xin and Pearce 1996; Lee et al., 2001; Yeung and Tung, 1996; Lovett, Simmons and Kali, 1999). Therefore, relational orientation is not the focus of this thesis. Given that many scholars have researched the concept of guanxi, this thesis augments such studies by examining the impact of the important Chinese cultural value, Ren, on business-to-customer relationship and business practice, which are more important than just studying guanxi.

For time orientation, continuity has been examined in the past (Van Oort, 1970), but past time orientation has been seldom examined previously. For personal activity orientation, harmony with others has been extensively examined by other scholars (Chow, 2003; Fang, 2000; Ching, 1995; Tang, 1996), and therefore, this value is not the focus of this thesis. Given that the Doctrine of the Mean (trans. Legge 1969) has seldom been examined and Ren has adopted the Doctrine of the mean ((trans. Legge 1969), we included this concept. Meanwhile, the man-to-himself dimension only specifically mentions abasement or humbleness, but the situation-orientation under man-to-himself is not at all specific in the original Chinese cultural value model suggested by Yau (1995).

In the Value Orientation Model, the Chinese culture of Ren seems to emerge

as **a genuine gap** for further investigation based on the following reasons. Clearly, the research gap is not about a new model for cultural values, but about the research gaps in our understanding of the identified Chinese cultural value of Ren, which affects business practice.

First, **Ren has yet to be investigated** according to the Chinese literature in the marketing and management context. Ren is a typical Chinese value of man-to-himself, but the concept is rarely mentioned in the Value Orientation Model. Ren is the construct that fits into the situation orientation dimension under man-himself orientation, and this is because Ren demands self-awareness, self-discipline and forbearance (Hartz, 2009), which shall be explored further in Section 2.4. In addition, Ren is an important subject in the daily life of Chinese people. From the parents' viewpoint, the concept of education is essentially a one-way indoctrination, in which the children are trained to practise Ren under different situations. In fact, in the Children's Guide 《童蒙須知》, Zhu Xi (朱熹) comprehensively explains the rules and regulations for children. For example, children are enjoined to speak in gentle tones, and to express themselves softly and slowly (Zhu, Yen and Liu, 2002). Thus, the Chinese value of Ren seems to come forth as a genuine gap for further investigation.

Second, in the Chinese society, **Ren is a value that has been highly internalised and practiced daily** (Yang, 1992; Man, 1988; Leung, 1982). The daily practice of Ren in the Chinese culture enhances one's determination, energy, happiness, and self-respect (Yang, 1992). Without deeper understanding of Ren, using modern research methodology to explore the Chinese literature seems incomplete.

Third, **Ren is an important value on an individual level**. Ren is a value categorised under the personal activity orientation, but has not been explicitly expressed (Yau, 1994). The Doctrine of the Mean (trans. Legge 1969) is highly related to and is reflected by Ren, which will be explained in depth in the later section on the perspective of Confucianism about Ren.

Fourth, referring to the extant literature reviewed in the later section of this chapter, Ren has some similarities with the meaning of forbearance, but the meaning of **Ren is deeper in the Chinese context** (Hartz, 2009). However, Ren has not been empirically researched in the Western academic world. Even a few decades after the establishment of the Value Orientation Model (Kluckhohn and Strodtbeck, 1961), this gap has not yet been filled. Therefore, this research study places significant emphasis on the importance of the Chinese value of Ren.

Fifth, **various studies on Ren based on major Chinese philosophies are missing**. As explained by Yang (1994), the Chinese culture stresses quality and the value of a group or social orientation, and in this sense, Ren is not a stand-alone value. Ren and related constructs are necessary to build a model of Ren in the business context. This concept has not yet been studied in empirical research but will be discussed in Chapter three of this thesis. Therefore, one of the major objectives of this research is to determine the impact of Ren on consumer service experience and business relationships, i.e., service quality and loyalty of consumers.

Finally, given that no one has measured Ren before, **a scale for Customer Ren Orientation** must be constructed. This scale measures the relationship between Ren and other constructs or elements, i.e., the relationship between Ren and service quality can be empirically studied in a greater depth. The conceptualisation of Customer Ren Orientation will be discussed in Chapter 3, and the measurement of Customer Ren Orientation will be explained in Chapter 4.

Having discussed about the research gaps of this research area and the justification of the significance of the study in the last sub-section, the author is more interested in exploring the conceptualisation and development of Ren as a scale for customer Customer Ren Orientation, i.e., the measurement of the propensity of Ren. This proposal shall be explained in Chapter 4. The next sections will explore the concept and elements of Ren.

2.2 Concept of Ren in the Chinese Literature

2.2.1 Denotation of Ren

According to Shuowen Jiezi 《說文解字》, the first Chinese dictionary compiled by Xu Shen (許慎) around 100 AD, the Chinese character for the word ‘Ren’ (忍) is divided into two parts (Xu, 1989). The upper part is a small knife (刃) and the lower part is a heart (心). Thus, the character shows a small knife stabbed into the heart. In a broader context, the Ren character denotes an unfavorable or dissatisfactory situation, where feelings of distress or pain are likened to that of a small knife stabbing into one’s heart. As no other solution exists, the only thing that one can do is to tolerate the pain.

The Hanyu Da Zidian 《漢語大字典》 or the ‘Great Compilation of Chinese Characters’, one of the best existing references on Chinese characters, shows the Chinese character for the word ‘Ren’ (忍) containing seven strokes, with the major search word as ‘heart’ (心). Another form of the Chinese character for this word can be written as 忼, though 忍 is commonly used (Great Dictionary of Han Language, 1995).

2.2.2 Linguistic Meaning of Ren

After exploring denotations of Ren, its varied linguistic meanings will be discussed in this section. According to Shuowen Jiezi 《說文解字》, Ren indicates the abilities of an individual in relation to the combination dynamics of heart and knife (忍,能也,從心刃聲).

Shuowen Jiezi further explains that Ren represents having the courage to take action and having a practical and pragmatic approach in life, which has been described as ‘can-do’ ability (Xu, 1989). Conversely, having the courage to desist from a course of action is a ‘can-bear’ ability. The expression ‘can-bear’ is originally a word in its own right that has its own pronunciation.

In this way, Ren may denote either action or withdrawal from activity. Having

the courage to kill aggressors is described as Ren, and has been referred to as ‘tolerating the wicked’, whereas having the wisdom and fortitude to desist from killing others is also called Ren and has been referred to as ‘forbearance’. Either one of these definitions is considered to be an ability or desirable quality 凡敢於行曰能,今俗謂能幹也。敢於止亦曰能,今俗謂能耐也。能耐本一字,俗殊其音。忍之義亦兼行止。敢於殺人者謂之忍,俗所謂忍害也。敢於不殺人亦謂之忍,俗所謂忍耐也。其為能一也 (Xu, 1989).

Shuowen Jiezi has provided a dualistic and dynamic definition for the term ‘Ren’, which includes both meanings of action and termination or renunciation of action (Xu, 1989). In other words, Ren may lead to two opposite states: to act or not to act. On the one hand, someone who dares to kill others is described as having a kind of ‘dare to act 敢於行’ Ren quality. On the other hand, someone who deliberately refrains from killing others is known for possessing a kind of ‘dare to stop 敢於止’ Ren quality. Given that Ren has the characteristics of leading to act and not to act, this definition has the potential to create significant challenges in terms of the ability to operationalise and measure Ren. Resolving this dilemma is one of the major objectives of this thesis, i.e., to operationalise the concept of Ren.

According to the Cihai Dictionary, the usage of Ren can be categorised into two broad headings, which are ‘dare to act’ and ‘dare to stop’. For ‘dare to stop,’ six important meanings are found in Cihai 《辭海》. Cihai is an authoritative and contemporary Chinese dictionary with definitions that encompass basic word usage, and has additional meanings denoted in the context of different fields and disciplines (Xia, 2009).

1. Endurance (耐心): Ren is to endure 忍, 耐也 Guangya 《廣雅》, Guanzi 《管子》; Confucius (孔子) said to his disciple, Ba Yi (八佾), ‘If you can bear to do this, what may you not bear to do?’ (The Analects, trans. Muller 2015, Ba Yi 《論語•八佾》). The Guangya, a Chinese dictionary compiled during the 3rd century, was edited by an important strategist, Zhang Yi (張

儀), who lived during the Three Kingdoms period of Chinese history. Conversely, if one is unable to tolerate small disturbance, the greater good may be seriously affected as a result (小不忍,則亂大謀) (The Analects, 2015).

2. Rectification (矯正): If one can first bear a disagreeable situation privately, then one can bear the same or similar condition publicly 志忍私,然後公 (Xunzi, Ruxiao 《荀子·儒效》). Xunzi, who believed man is innately bad, was a Chinese Confucian philosopher during the Warring States Period of Chinese history.
3. Repress (克制): Suppressing oneself. 忍處獨含情 (Tang Dynasty, Du Fu 唐杜甫,) ‘Suppress one’s tear and say goodbye’. Du Fu was a conspicuous poet of the Tang Dynasty of China.
4. Departure (分離): Departing from kindness and love 割慈忍愛 (Jiang Yan 《江淹》). Jiang Yan was a famous poet in the Southern Dynasty of China.
5. Diligence (勤勉): Make the best effort to do something 強忍犯義, 毅也 (Guoyu 《國語》). The Guoyu or Discourses of the States is an orthodox Chinese history book that comprises historical chronicles of several states from the Western Zhou up to 453 BC.
6. Willingness (願意,捨得): People prefer to see a large quantity of dirty coins in their own keeping, rather than give away a small amount of it to others. 寧見朽貫千萬,而不忍賜人一錢(Qianfulun 《潛夫論》). The Qianfulun, which is known as ‘Comments of a Recluse’, is a political and philosophical book written by Wang Fu (王符) in the Later Han period of China.

Included within the general category of ‘dare to stop’ are some other related terms, i.e., ‘dare not to laugh’ (忍笑), ‘dare not to shed tears’ (忍淚), ‘dare not

to respond to insults' (忍辱), and 'dare to ignore the external pressure to strengthen one's character' (忍性) (Mencius, trans. Legge 1960; Bond, Wan, Leung and Giacalone, 1985). The above expressions demonstrate a common characteristic, in which people can bear various difficulties and hardships without immediately reacting or expressing their feelings. This concept is one of the major features and foci of this thesis. The mindset of Ren, both moving forward and remaining unchanged, will be discussed in the next chapter.

The related meanings of 'dare to act' are 'dare to poison others' (忍毒), 'dare to be harsh' (忍苛), 'dare to endanger' (忍害), 'dare to rebel' (忍悖), 'dare to be merciless' (殘忍), and 'dare to treat other people badly' (忍人). According to Shiji 《史記》, a cruel person should not be appointed to a position of power or authority (忍人也,不可立也).

'To act' or 'not to act', either course will take one in opposite directions. In this sense, Ren is used in various contexts to describe a psychological process within a given situation and the potential outcome. Shuowen Jiezi synthesised the opposite concepts of Ren and suggested that the Emperor of China must blend and adopt both the 'dare to act' and 'dare to stop' approaches. A comparison of Chinese Ren with the qualities of forbearance recognized in the Western culture will be discussed later.

2.3 Ren in the Chinese Culture versus Forbearance in the Western Culture

The traditional Chinese culture and mindset have given prominence to the process of self-determination and action as described by the qualities of Ren. This philosophical but practical approach is, by contrast, less obvious in the Western culture. The following section provides an in-depth discussion of the differences and similarities between Chinese and Western cultures in more depth.

2.3.1 Meaning of Forbearance in Western Cultures

According to Organ (1990), forbearance is defined as "The willingness to

endure the occasional costs, inconveniences, and minor frustrations attendant to collective behaviors.” Based on Organ’s definition, forbearance seems to result in various negative effects or consequences such as personal costs, inconveniences and minor frustrations. In addition, many people think that Ren is the same as the Western word ‘forbearance’. The closest word in western society that possesses the partial meaning of Ren is forbearance, which is further explained below.

First, forbearance means refraining from the enforcement of something, i.e., a right, a debt, or obligation that is due (Oxford Dictionary, 2014). For example, in the Bible (New American Bible, 2011), ‘Do you suppose, then, you who judge those who engage in such things and yet do them yourself, that you will escape the judgment of God? Or do you hold his priceless kindness, forbearance and patience in low esteem, unaware that the kindness of God would lead you to repentance?’ (Roman 2:3–4).

Second, forbearance refers to the exercise of patience (Vocabulary.com, 2015; Dictionary.com, 2015; Webster-dictionary.org, 2015). For example, when a manager remarks in a meeting, ‘Bear with me for a minute’, he is asking for the forbearance of his colleagues. In this case, he is actually requesting his colleagues to stay patiently during the delay of the meeting.

Third, forbearance means self-control (Dictionary.com, 2015; Oxford Dictionary, 2014).

Historically, the quality of forbearance has been valued across different cultures as an important and basic element of human behaviour for ensuring harmonious social intercourse and development. In the modern age, Freud and other psychoanalysts have identified the quality of self-control simply as a personality trait (Anderson, 2011). However, based on operant conditioning principles, Skinner considers forbearance as a behaviour related to reinforcement and the current condition (Modgil, 2012; Bandura, 1977). The cross-cultural aspects of forbearance deserve further research and comparative analysis.

According to Hofmann et al. (2012), forbearance includes any endeavour by a person's self to change any of one's inner states and responses, such as thoughts, impulses, emotions, task performances, and attention processes.

The literature on forbearance related to the scale of forbearance (FO) has been developed in the area of Human Resource Management. According to Markóczy, Vora and Xin (2009), the scale of forbearance includes four dimensions in organizational citizenship behaviour (OCB): Sportsmanship, Courtesy, Harmony and Protecting Company Resources. The four dimensions are country specific. The first two are related to US OCB and the last two are related to Chinese OCB.

2.3.2 Differences between Ren and Forbearance

Forbearance can predict the behaviour of others and, more importantly, provide insights to lead a better life. The quality of forbearance, as engendered in the traditional Chinese culture, can be subtly different from its Western counterpart. Forbearance and observation can aid in predicting the behaviour of others, although cultural differences can make this idea more complicated. The main objective of this section is to identify and discuss overt differences of forbearance in Chinese and Western cultures and to consider their influence in each case.

The traditional Chinese culture is strongly influenced and permeated by philosophies and traditions of Confucianism, Buddhism, and Daoism. Confucianism is one of the most influential schools of thought that has shaped the social norms and customs of the Chinese culture. Confucianism has two key characteristics, namely, the establishment of morality and maintenance of social order. The basic doctrine of Buddhism comprises the 'Four Noble Truths', which include the following: (1) all life is inescapably sorrowful, (2) sorrow is due to desire, (3) sorrow can only be terminated by cessation of desire, and (4) halting desire can be achieved by exercising conscious self-discipline, such as engaging in meditation (His Holiness The Gyalwang Drukpa, 2012). Daoism is the only religion indigenous to China, and demands

self-awareness, self-discipline, and forbearance (Hartz, 2009; Yip, 2000).

2.3.3 Considerations on Ren: Similarities between Chinese and Western Cultures

This section first covers the background knowledge of Chinese and Western cultures, and proceeds to explore their similarities in relation to Ren. As such, Westerners can find a common ground between forbearance and Ren.

1. Social Order

In the Western culture, forbearance is viewed as one of the most effective ways of maintaining social order and morality (Balliet et al., 2011; Harter, 1990). In the Chinese culture, the morality of Confucianism aims at establishing a harmonious society with law and order. ‘The social order is designated, by its integration of functions, to provide at the same time for a common prosperity and to enable every member of society to realise his own perfection’ (Coomaraswamy, 2011). In a 33-country study, forbearance has been found to have an important role in maintaining social order in the Western culture (Glelfand et al., 2011). Ren has the same role of maintaining social order in the Chinese culture as well (Kwan and Ofori, 2001).

2. Delay of gratification

According to Mischel and Ayduk (2004), and Mischel and Mischel (1983), delay of gratification is essential for self-management. In many cases, hard work is only rewarded in the distant future, and the process demands immediate and continued sacrifice. People must not stop to enjoy the moment, but learn to defer the rewards to the future. A future reward might be far more valuable than immediate result. However, an immediate reward may be more tempting, as people can enjoy the prize right away. Rodriguez, Mischel and Shoda (1989) discovered that people who were poor at delaying gratification lacked self-control. By contrast, people who are good at delaying gratification demonstrate powers of self-regulation (Fitzsimons and Bargh, 2004). In addition, Steelandt et al. (2012) showed the important role of attention skills. For example, learning to concentrate and focus is essential in delaying gratification. According to Miller et al. (2003), the teachings of Buddhism and

Daoism influence Chinese children to control their tempers and to delay gratification early in their lives. Forbearance can be found in choosing to delay gratification in the Western culture (Suhler and Churchland, 2009; Steelandt et al., 2012), and Ren can also be found in the option to delay gratification in the Chinese culture as well (Balliet et al., 2011; Miller et al., 2003; Leung and Chan, 2010).

3. Purpose

Miller et al. (2003), Baumeister, Heatherton and Tice (1994) and Baumeister and Vohs (2004) emphasise that forbearance, in the Western culture, is characterised by the sense of purposive procedures, which enable people to stay on track and finally attain their goals. In a similar way, in the Chinese culture, Daoist principles encourage adoption of life-enriching practices. The practice of Ren through meditating, following a healthy and balanced diet, along with doing physical exercises are examples of life-enriching practices. These disciplines are believed to improve the quality of life, help increase longevity, and aid in the pursuit of immortality (Hartz, 2009). Hence, in both Western and Chinese cultures, Ren has played a role in helping people achieve their goals.

4. Consciousness

In the Western culture, for cognitive dimension of self-regulation, Metcalfe (2013), and Metcalfe, Eich and Miele (2013) pointed out that an individual must consciously forbear to reduce the influence of the environment. 'Forming plans that detail when, why and how an instrumental, goal-directed response is to be implemented facilitates the control of goal-directed action' (Gollwitzer, Fujita, and Oettingen, 2004). The activated cognitive mechanism ensures that people remain in a state of mental concentration by effectively ignoring distracting information (Gollwitzer, Fujita, and Oettingen, 2004). Similarly, in the Chinese culture, a key trait of Buddhism is the teaching of constant mindfulness, which comprises knowing, training, and freeing the mind (Bobby, 2012). Therefore, in both Western and Chinese cultures, people practise forbearance in a conscious manner.

2.3.4 Considerations on Ren: Differences between Chinese and Western Cultures

Both Chinese and Western cultures share similar Ren concepts. As discussed in Chapter Two, the Western culture seems to identify conflict as a tool to overcome interpersonal problems (Triandis, 1995; Augusburger, 1992), whereas the Chinese culture is tend to see conflicts are naturally destructive to harmonious interpersonal relationship (Tang and Kirkbride, 1986). This section explores their mutual differences. Given these differences, exploring the unique meaning of Chinese concept of Ren makes sense regarding the aspects of self-determination, compromise, retreat, mission and self-actualisation.

1. Self-determination

In the Chinese culture, true infinity is characterised by complete, unhindered and unblocked liberty, where liberty is interpreted as ‘the faculty of self-determination’. Buddhists teach commitment, perseverance, and determination. Given that Buddhists have limited material resources, they are taught to be self-reliant and to practice self-control (Siderits, 2007; Verdu, 1925). However, in the Western culture, Ren is not commonly found in the aspect of self-determination.

2. Compromise

In the Chinese culture, a compromise can be an expression of the spirit of Buddhism and Daoism. In some cases, Buddhism may reach a compromise with its social environment for its teachings to reach more lay people and change them for the better. Compromise is a state whereby each party agrees to make concessions to the other to benefit both parties in a broader context. For compromise to be achieved, self-control and mental resignation are required (Husted, 2012; Keown, Prebish and Husted, 1998). Tang and Kirkbride (1986) found that Chinese managers tend to choose compromise as their key management styles; whereas, Western managers seem to select competition as their major management styles. In the Chinese culture, Ren is commonly adopted when making a compromise. However, Ren is rarely

used in Western practice.

3. Retreat

In the Chinese culture, apart from compromise, Buddhism suggests retreat as a means for devoting oneself wholly to meditation and becoming detached from worldly distractions and entanglements with others. Simply placing oneself apart from the general mass of humanity provides no surety of final salvation. The practice of Ren through internalised and total abandonment of all worldly engagements can one dedicate oneself to the goal of spiritual enlightenment (Verma and Araya, 2010; Southwold, 1983). Daoism provides one of the major teachings in self-development, which retreat can facilitate, thus providing a tranquil situation for developing the inner self (Raz, 2011; Kohn, 2003). On the contrary, the practice of Ren by retreating is seldomly found in the Western culture.

4. Mission

In the Chinese culture, Buddhism teaches self-control, self-discipline, and self-transformation. Its missions include furthering the causes of education, culture, and world peace (Harvey, 2012; Dockett, Dudley-Grant and Bankart, 2002). Meanwhile, Confucianism focuses on teaching people the way to self-betterment in their life time (Dubois, 2011; Qian, 2003). In other words, people in the Chinese culture tend to practise Ren in order to achieve their goals.

5. Self-actualisation

In the Chinese culture, self-actualisation combines two fundamental elements, namely, self-development (i.e., allowing the self to integrate new experiences into a consistent structure) and volitional efficiency (i.e., deliberate intent) (Kuhl, 2004). In Daoism, Zhuangzi 《莊子》 (trans.Wang 1999) teaches natural peaceful behaviour and living in a non-reactive way to gradually achieve the state of transcendence or self-actualisation (The Book of Zhuangzi, trans.Wang 1999). Similarly, Buddhism holds the belief that the comprehension of the true nature is essential to the achievement of genuine happiness and ultimately, realisation of the self (Harvey, 2012).

5. Harmony

Based on Markóczy, Vora and Xin (2009), harmony is an important dimension of Chinese in the scale of forbearance. Farh et al. (1997) define harmony as the willingness of an individual to refrain from gaining personal benefits at the expense of other people's benefits. In the Chinese culture, harmony refers to the demand for avoiding conflicts (Tjosvold, Hui, and Law, 2001), as well as the instrument to avoid trouble (Leung, 1997). In the Western cultural, conflicts are unavoidable and the management of conflict essentially results in quality service of an organisation and win-win situations among people. Therefore, harmony is an important Chinese value that is highly related to Ren.

To sum up, Table 2.2 highlights the key differences and similarities between the concept of Ren in the Chinese culture versus Forbearance in the Western culture.

Table 2.2: Key Differences and Similarities of the Concept of Forbearance among Chinese and Western Cultures

	Western perspective	Chinese perspective
Social Order	Yes (Glelfand et al., 2011; Balliet et al., 2011; Harter, 1990)	Yes (Kwan and Ofori, 2001; Coomaraswamy, 2011)
Delay of gratification	Yes (Suhler and Churchland, 2009; Steelandt et al., 2012; Kraus (2002),)	Yes (Balliet et al., 2011; Miller et al., 2003; Leung and Chan, 2010)
Purpose	Yes (Miller et al., 2003 and Baumeister and Vohs, 2004)	Yes (Hartz, 2009)
Consciousness	Yes (Metcalf (2013), and Metcalfe, Eich and Miele (2013)	Yes (Bobby, 2012)
Self-determination	No	Yes (Siderits, 2007; Verdu, 1925)
Compromise	No	Yes (Husted, 2012; Keown, Prebish and Husted, 1998; Tang and Kirkbride (1986)
Retreat	No	Yes (Verma & Araya, 2010; Southwold, 1983; Raz, 2011; Kohn, 2003)
Mission	No	Yes (Dubois, 2011; Harvey, 2012; Dockett, Dudley-Grant and Bankart, 2002; Qian, 2003)
Self-actualization	No	Yes (Kuhl, 2004; The Book of Zhuangzi (trans.Wang 1999); Harvey, 2012)
Harmony	No	Yes (Markóczy, Vora and Xin, 2009; Farh et al., 1997; Tjosvold, Hui, and Law, 2001; Leung, 1997)

2.4 Interpretation of Ren in Traditional Chinese Philosophies

Through a study of traditional Chinese philosophies, such as Confucianism, Daoism and Buddhism, the originality, depth of meaning, and functionalities of Ren in the Chinese culture can be identified. Thus, Ren possesses its own cultural characteristics.

Historically and culturally, the most influential philosophies in China are Confucianism, Daoism, and Buddhism. Over the course of one thousand years of changes and evolution, the teachings of these three schools of philosophy merged, thereby developing the central core of the traditional Chinese culture. This culture is a vast structure that permeates and guides customs, religion, social values, philosophical concepts, emotion, personal conduct, and methods of cognitive thinking. This cultural composite firmly established the guiding principles for people's living arrangements, relationships, and daily affairs.

In the 20th century, although Chinese people have generally embraced Western cultures and industrial development wherever they have settled throughout the world, the teachings of the aforementioned traditional philosophies remain deeply embedded in their culture, hearts, and minds. In general, these beliefs and values may even form the psyche or soul of Chinese people.

2.4.1 The Confucian Perspective

Confucianism is one of the most influential schools of thought that has shaped the Chinese culture. This ancient system is described by two key characteristics, namely, observance of a strict code of morality in Chinese society and protection of the social order. Confucian morality aims to establish a harmonious society governed by law and order. Moreover, Confucian philosophy teaches that individual initiative can truly assist in changing society for the better, thereby actualising individual potential.

2.4.1.1 Relationship between Benevolence (仁) and Ren

Benevolence is the essence of Confucianism (Juergensmeyer, 2005). This benevolence embeds itself within an individual and forms part of the inner workings of one's nature. Benevolent people are characterised by the care they show toward others 仁者人也 (Doctrine of the Mean, 中庸, trans. Legge, 1969). Through the practice of benevolence, the basic framework of personal character is formed. The implementation of benevolence is said to be the actualisation of the highest aspect of human nature. Wise and benevolent persons do not injure or kill others to assure their own survival but sacrifice themselves for others to attain the highest level of human nature 志士仁人,求生以害仁,有殺身以成仁 (Analects, trans. Muller, 2015).

Hence, practicing benevolence may ultimately require a person to sacrifice his own life. Not even for the briefest period of time taken to consume a meal would a superior person ever violate the principle of benevolence. He adheres closely to this principle in all circumstances, whether he is in grave danger or preoccupied with an important and pressing engagement 君子無終食之間違仁,造次必於是,顛沛必於是 (Analects, trans. Muller, 2015).

The life mission of every superior person is the practice of benevolence. Confucius yearned that every human being developed the ability to become a superior person. Thus, he wanted the individual to evolve in terms of both self-discipline and good behaviour. This life mission involves purifying oneself by transforming ego and attitude into something peaceful and

non-reactive while remaining active and positive (Kam, 2004). This way, Confucianism considers the meaning of life in terms of the formation and perfection of individual character.

Confucian transcendence is concerned with the gradual process of sanctification and attainment of virtue. The lofty ideals of Confucianism are enshrined in the lives and character of the sages of Chinese historical tradition; these sages are considered instructive and worthy of emulation. Confucian transcendence starts from within the consciousness of the individual human body, later breaking away from the structure and boundaries of conventional religion and theology (Bai, 2008).

Confucian transcendence lies in the achievement of a strong, internalised code of morality and ethical behaviour; thus, this behaviour is characterised by complete integrity and wisdom in both thought and action. The goal of Confucian transcendence may also be partially described as the establishment of a harmonious social order. Self-actualisation is naturally accomplished through the transformation of society. Thus, a key principle is that of behaving toward others just as one would wish to be treated. For example, if you do not wish to experience something yourself, do not try to force the same upon others 己所不欲,勿施於人 (Analects, trans. Muller, 2015).

The meaning of benevolence is to love others. When Fan Chi asks Confucius about benevolence, he replies, 'It is to love all people' 愛人 (Analects, trans. Muller, 2015). Yong Ye: Zi Gong said, 'Consider a man who unreservedly renders aid and assistance to others, and by so doing benefits a large number of people. What is your opinion of him? Has such a man earned the description of benevolence'? Confucius answers, 'Not only does he possess the quality of benevolence but also the qualities of a sage. Even those famous kings of yore, Yao, Shun, and others, were not able to do this'.

Benevolent people, while wishing to equip themselves, also desire to do the same for others. This means that while wishing for their personal success,

benevolent people also want to make others successful. This logic displayed in action is known as benevolence (雍也: 子貢曰:「如有博施於民而能濟眾,何如?可謂仁乎?」子曰:「何事於仁,必也聖乎!堯舜其猶病諸!夫仁者,己欲立而立人,己欲達而達人。能近取譬,可謂仁之方也已」).

The meaning of benevolence is known through its expression within the framework of personal relationships, as well as through the broad context of social interactions. In this regard, five essential cardinal relationships (五倫) are enumerated: relationships between father and son, ruler and subordinate, couples, siblings, and trust shared between friends. Understanding of the basic discipline required in the formation and maintenance of personal relationships is a key principle of Confucianism. This code of discipline acts as a guideline for people to behave properly. Each party has a part to play, and conscientiously performing one's individual role enables the general social body to live together in relative peace and harmony.

Zhu Xi says, 'All things have their own nature and unique feature. For example, consider the cases of the monarch, minister, father, and son. A person who possesses the characteristics of a monarch can be the monarch; a person who possesses the characteristics of a minister can be the minister; a person who possesses the characteristics of a father can be the father; a person who possesses the characteristics of a son can be the son (Zhu, Yen and Liu, 2002).

In such a qualified social arrangement, harmony prevails and the individual receives what he or she needs or wants' (物物有箇分別,如『君君臣臣父父子子』。至君得其所以為君,臣得其所以為臣,父得其所以為父,子得其所以為子,各得其利,便是和).

Zhu Xi (朱熹) was a Confucian academic during the Song Dynasty, and later became the most prominent neo-Confucian rationalist (Zhu, Yen and Liu, 2002). He suggests the structure of the male-dominated family tree or blood line as the basis for establishing moral discipline. If everyone plays one's role

properly within the established hierarchy, society will automatically become more harmonious. This idea echoes Confucius' teaching: to 'cultivate oneself, keep one's family in order, manage the country, bring peace to the world' 修身、齊家、治國、平天下. This lesson is the life mission of a superior person (Great Learning 大學, trans. Muller, 2015).

In Confucianism, a text known as the Great Learning (大學) is counted as one of the 'Four Books' of teaching. Based on the Great Learning, each individual - from the emperor to the common man—should treat self-cultivation as the core principle of one's life 自天子以至於庶人。壹是皆以修身為本 (Great Learning, 大學, trans. Muller, 2015). Although benevolence is naturally self-contained and may already be firmly embedded as part of one's nature, such disposition must still be carefully cultivated, refined, practiced, and remembered if one is to attain the nature of a sage. To attain the ideal character of a sage, such self-cultivation must continue as a daily lesson and exercise. Self-cultivation also internalises the discipline required for an extensive social harmony. Therefore, benevolence is established through self-control and careful observance 克己復禮為仁 (Analects, 論語, trans. Muller, 2015). Society should adopt such a course, thereby learning how to implement benevolence through humble enquiry and by thorough and careful study. Through self-discipline and self-reflection, the inner values of benevolence are revealed and the manner of its implementation is also clarified.

The major objective of ritual is to control of one's selfishness and desires, as well as establish a basic standard of conduct and behaviour that any society may reasonably expect from its members. Confucius advises, 'Do not see what is opposing to ritual; do not listen to what is opposing to ritual; do not speak what is opposing to ritual; do not do what is opposing to ritual' 子曰：「非禮勿視，非禮勿聽，非禮勿言，非禮勿動。」 (Analects, 論語•顏淵, trans. Muller 2015, Yan Yuan). Consequently, the individual does not immediately act on personal feelings, desires, or wishes, but first assesses any given

situation and then follows guidelines for acting appropriately and sensibly.

The Doctrine of the Mean (trans. Legge 1969) is one of the Four Books of Confucian philosophy. Such Doctrine states that, if no intermingling of pleasure, anger, sorrow, and joy exists, then the mind remains in a state of equilibrium and balance. If these feelings are controlled and expressed appropriately, then the mind will be at peace and in a state of harmony with its surroundings. Such equilibrium is the foundation of all peaceful and progressive existence, and harmony with oneself and the outer world is the path by which to pursue perfection. If both equilibrium and harmony are achieved, then the actions of heaven and earth will naturally flourish, and all things will be nourished 喜怒哀樂之未發,謂之中;發而皆中節,謂之和。中也者,天下之大本也;和也者,天下之達道也。致中和,天地位焉,萬物育焉 (The Doctrine of the Mean, 中庸, trans. Legge 1969).

Meanwhile, Huangdi Neijing is one of the oldest extant medical texts in China and is considered the basic source for the established doctrines of Chinese medicine (Huangdi Neijing, 黃帝內經, trans. Kong, 2010). Huangdi Neijing (黃帝內經) reiterates the impossibility of fully achieving the state of combination or complete harmony between heaven and man (天人合一). Ji Xianlin (季羨林) (2010) explains that heaven denotes nature. The harmonious combination and interaction between heaven and man creates mutual understanding and friendship. Thus, it denotes the loftiest state of morality, where the sense of morality has become an inner and integral part of oneself.

Therefore, benevolence is the core moral value of Confucianism, which uses rituals to monitor people with the objectives of engendering commitment to moral cultivation and developing a harmonious society. By achieving personal fulfilment and self transformation in this manner, Confucianism approaches a level of transcendence that may be perceived as its ultimate goal.

2.4.1.2 Relationship between Self-cultivation and Ren

The path of the sage is compared to that of running a marathon, where the participants are completely absorbed in a lengthy and ongoing process of exertion, vigilance, and self-cultivation. The individual gradually learns to internalise the social values learned while directing one's ego and intelligence to co-exist harmoniously within the general society. By following the sages' footsteps, Confucianism seeks to inspire and guide individuals to have the determination to share with others whatever they have achieved in their personal practice, as well as to sacrifice themselves to serve humankind, thereby striving to create lasting peace and harmony throughout the world 為天地立心,為生民立命,往聖繼絕學,為萬世開太平 (Jie, 2006).

Yang (1959) explained that self-cultivation serves as the backbone for Confucian morality. From their childhood, Chinese people are influenced and guided by their traditional culture. The key issue in this matter pertains not to constraining one's rights and benefits to resolve the conflicts of various warring parties. Rather, the issue calls for individual efforts to protect the benefits of the community in general, including oneself, rather than any number of disparate members.

In Confucianism, self-sacrifice has a direct relationship to the behavioural and psychological concepts that underpin Ren (Jian, 1979). Confucianism stresses limiting desire, reducing it, and even eliminating it entirely. Although individual desire is not the major focus of attention in the self-cultivation process, external moral disciplines tend to highlight its existence, thereby creating a degree of tension between the extremes of both desire and repression. Throughout the transformation and transcendence processes, the individual experiences different levels of pressure. The practitioner has retained the primary objective of achieving sage-like conduct and transcendence; thus, these various pressures are perceived as training and are accepted (with a minimum of disturbance) as a necessary component of the overall self-cultivation process.

The psychological state of Ren, which is embedded in the individual, has been transformed via persistent self-transformation and self-transcendence processes. The internalization of morality leads to a considerably broad understanding and scope of the application of such morality. Hence, the key question to be considered is as follows: To what extent and level of success are self-cultivation and self-actualisation being applied in practice from one day to the next?

Ren is an important subject in the daily life of Chinese people. From the parents' viewpoint, the concept of education is essentially a one-way indoctrination, in which the children are trained to restrain themselves and ignore the distraction of sudden impulses.

In the Children's Guide《童蒙須知》, Zhu Xi (朱熹) comprehensively explains the rules and regulations for children. For example, children are enjoined to speak in gentle tones, and to express themselves softly and slowly (Zhu, Yen and Liu, 2002). Speaking loudly, making noise, talking nonsense, or even making jokes are discouraged or prohibited. Whenever the father or elder brother teaches a lesson, children should lower their head and listen attentively; any form of loud discussion is not allowed. If a senior identifies faults, then this action should be quietly received without recourse to making excuses or challenges. Thus, the child must learn to be humble and quiet 凡為人子弟。須是常低聲下氣。語言詳緩。不可高言喧哄。浮言戲笑。父兄長上有所教督。但當低首聽受。不可妄大議論。長上檢責。或有過誤。不可便自分解。姑且隱默。

Moreover, children have to control their volume of speaking and learn to delay happiness based on immediate or selfish gratification. When receiving teachings from their superiors, they should listen attentively and respectfully with lowered heads. Children should not argue with their seniors even when the latter may be wrong; this action shows respect. The respect given to one's father has established his image as an ideal one; hence, this scenario has resulted in the self-actualisation stage among Chinese people.

The father's image represents authority, and children are expected to obey this authority absolutely. Through continual training, self-denial, and determination, children are taught to internalise this transcendent paternal image. Throughout this self-control process, children require careful psychological attunement to approach this goal of genuine inner harmony. In Confucianism, Ren is a well-received component of morality and good behavior. Ren is also shaped and applied through psychological analysis and application.

During childhood, most of the aforementioned concepts come from external sources, that is, from parents and teachers, rather than through the self-cultivation process. During this formative process, many Confucian scholars have warned how the student or aspirant will have to occasionally deal with extreme pressure that may threaten to derail one's practice. The solution is to provide a strong foundation by preparing oneself or others in the required psychological state of self-suppression to achieve high goals. Thus, the individual needs to have thoroughly understood and embraced the righteousness and necessity of these codes of proper behavior. Such understanding stabilises one on the self-cultivation path, assists in overcoming the conflicts caused by inner desires, and renews one's commitment to this path of morality with its external ritual processes and other criteria.

The moral value of Ren Confucianism has not always been well-received in the literature. Nevertheless, several authors have written on the subject. Wu Liang (吳亮) recorded what he observed as representative instances of Ren behaviour throughout the course of his life, compiling them into a book known as the *Bible of Ren* 《忍經》 (Wu, 2009). Another renowned work on Ren is Hui's (許名奎) *One Hundred Stories of Ren* 《勸忍百箴》, which teaches people how to use Ren and praises it as a valuable moral asset (Wang and Dai, 2011). The authors have particularly focused on the process of cultivating Ren, where one learns to 'sacrifice "one's small self" for "one's greater self" (小我大我). The differences between the needs of the larger self

(represented by society's moral value) and those of the small self (the individual) is rationalised and reconciled within the framework of the system of morality embedded in the concept of Ren.

In summary, Confucianism emphasises the quality of benevolence and self-cultivation. Through the gradual practice of self-sacrifice, self-control, ritual, contribution, and forgiveness, individuals are sanctified and social interaction automatically becomes considerably harmonious.

2.4.2 The Daoist Perspective

Daoism ranks second to Confucianism among the various traditional Chinese philosophies that have influenced Chinese cultural values. Daoism reasonably supplements the deficiencies of Confucianism; in turn, the latter supplements the deficiencies of the former. Both philosophies are complementary to each other, and have survived well together because they are mutually beneficial. Di (2013) suggested that Daoism and Confucianism are at opposite ends of the philosophical spectrum. They explained that 'When dealing with mundane, worldly issues, consult Confucianism; whereas, when handling those issues whose purview lie beyond this world, use Daoism' 入世時儒家, 出世時道家. Daoism is occasionally perceived as being passive, whereas Confucianism is observed as being positive and active in its approach (Di, 2013; Li, 1995).

Daoism abhors pretensions that enslave people and deprive them of their natural freedom. If you work hard to eliminate pretensions, then you will become a real person (真人). You may return to a more natural state of existence and, in time, attain a state of transcendence. Laozi's philosophy aims to 'attain emptiness' 至虛 and 'uphold tranquility' 守靜, to 'disdain desire' 寡欲, to be 'self-contented' 知足, and not 'to strive unnecessarily' 不爭.

According to Daoism, the state of emptiness has to be cultivated and developed completely. Tranquility, when attained, must be shielded from disturbing or destructive influence. All phenomena and processes move in a

cyclical fashion and will eventually return to their original root or starting point. Even though these processes may be complex, all things unfailingly return to their roots in time. This manifold recurrence to an original 'root' state has been described as synonymous with the state or process of achieving tranquility. Such tranquility can satisfy and fulfill one's desires and aspirations 致虛極,守靜篤。萬物並作,吾以觀復。夫物芸芸,各復歸其根。歸根曰靜,是謂復命 (Dao De Jing, Chapter 16, 道德經, 十六章, trans. Muller, 2011).

The original state of all things is tranquility. Therefore, Laozi says 'No misfortune is greater than discontentment; no fault is greater than desiring more'. Therefore, contentment is lasting and self-sufficient 禍莫大於不知足;咎莫大於欲得。故知足之足,常足矣 (Dao De Jing, Chapter 46, 道德經, 四十六章, trans. Muller, 2011). A self-sufficient person is rich 知足者富 (Dao De Jing, Chapter 40, 道德經, 三十章, trans. Muller, 2011). Therefore, people welcome the simple and natural life, and disdain selfishness and desire 見素抱樸,少私寡欲 (Dao De Jing, Chapter 19, 道德經, 十九章, trans. Muller, 2011). If someone refuses to argue or fight, then who can argue with that person? 夫唯不爭,故天下莫能與之爭 (Dao De Jing, Chapter 22, 道德經, 二十二章, trans. Muller, 2011). The way of the sage is to refrain from striving and unnecessary endeavour 聖人之道,為而不爭 (Dao De Jing, Chapter 81, 道德經, 八十一章, trans. Muller, 2011). The way of the heaven is to avoid undue strife, while spiritual success remains accessible through more skillful means 天之道,不爭而善勝 (Dao De Jing, Chapter 73, 道德經, 七十三章, trans. Muller, 2011).

Zhuangzi (trans. Wang 1999) was a prominent Daoist philosopher who lived during the Warring States period. He was cynical and rather pessimistic, arguing that whereas human life span was considered diminutive, the knowledge to be acquired was boundless. To use the diminutive in chasing after the boundless may be unwise. Zhuangzi (trans. Wang 1999) considered that human life, which was full of material burden, had enslaved itself through the ignorance of materialistic consciousness. Therefore, he advised that

people must eliminate the burden of life and death, with its entanglements of fame and fortune, dualities of success and failure, and continual absorption in materialistic acceptance and rejection. By pursuing the goal of absolute spiritual freedom and confronting and facing issues as they arise, the individual can become a real and perfect person; one who is an exemplar of divinity. Zhuangzi (trans.Wang, 1999) also explained that people need to make use of materials but not be controlled by these materials (物物而物於物), thereby eventually reaching a state of transcendence beyond any objective rule or boundary. This state is the ideal one described by Zhuangzi (trans.Wang 1999). The challenges inherent in this endeavour are elaborated in one example.

To illustrate his point, Zhuangzi (trans.Wang, 1999) used the device of a nominal character called Zhuang Zhou, who dreams that he is a butterfly, flying freely and gaily around. The butterfly does not realize that it is Zhuang Zhou. Abruptly, Zhuang Zhou awakens and recognizes himself as Zhuang Zhou. He does not discern that he had previously been Zhuang Zhou dreaming that he was a butterfly; or consider that he may now be a butterfly, dreaming that he is Zhuang Zhou. However, a few discrepancies must exist between the alternating conscious states of being Zhuang Zhou or a butterfly. This case illustrates the situation of the transformation of things 昔者莊週夢為胡蝶，栩栩然胡蝶也，自喻適志與！不知周也。俄然覺，則蘧蘧然周也。不知周之夢為胡蝶與，胡蝶之夢為週與？週與胡蝶，則必有分矣。此之謂物化 (Zhuangzi, *The Adjustment of Controversies*, Chapter 14, 莊子, 齊物論, 第十四章, trans.Wang, 1999).

In *Dreaming Zhuangzi* (莊週夢蝶), Zhuangzi (trans.Wang, 1999) argued that people cannot tell the difference between the real world and the virtual world. How then can we achieve the transcendental state? This state can be achieved by remaining satisfied with the present moment and being pleased with the current situation 安時而處順 (Zhuangzi, 莊子, 養生主, trans.Wang, 1999). Both praise or blame are equally acceptable 呼我牛也而謂之牛，呼我馬也而

謂之馬(Zhuangzi, 莊子,天道, trans.Wang 1999). Furthermore, if one adheres to his prescribed duties even when knowing that no one can substitute for his responsibility, then this act is the ultimate accomplishment of virtue 知其不可奈何而安之若命,德之至也 (Zhuangzi, 莊子, trans.Wang, 1999).

Furthermore, Zhuangzi (trans.Wang 1999) believed this mode of self-cultivation to be unconcerned with maintaining an outward outlook of positive optimism or endeavoring to effect change in the world. Rather, one should act naturally and avoid entangling oneself through action. This act alone would lead one to the transcendent state, a goal that requires total renunciation and obliteration of one's external self. Life and death, failure and success, poverty and richness, virtue and vice, praise and blame, hunger and thirst, and cold and heat are the dualistic variations of material experience that constitute the challenges and tests that one must overcome 死生存亡,窮達貧富,賢與不肖,毀譽、饑渴、寒暑,是事之變,命之行也 (Zhuangzi, 莊子,德充符, trans.Wang 1999: Seal of Virtue Complete).

In reality, desire is given no status at all within the framework of the Daoist perspective. Zhuangzi (trans.Wang 1999) stressed that one should refrain from striving for material goals, behave gently, and be satisfied with the current moment and situation. Ren is the contribution of Confucianism in enriching the Chinese mindset (Lin, 1988). By contrast, Daoism provides all Chinese a space or opportunity to practice Ren by following a philosophy of nonviolence and detachment from action.

The corollaries of Daoism's philosophy also have considerable and lasting influence on many Chinese. If a man does not strive, then how or why will enemies strive against him? If someone refuses to argue or fight, then who can argue with that person? 夫唯不爭,故天下莫能與之爭(Dao De Jing, Chapter 22, 道德經,二十二章, trans. Muller, 2011). Adoption of this type of outlook is considerably widespread among Chinese people; even in the face of apparent loss, one can still feel as though he or she has gained (吃虧就是佔便

宜). Undoubtedly, Chinese people have developed and evolved their practice of Ren over the ages.

In summary, Daoism is the second most influential philosophy in the traditional Chinese culture. To date, this philosophy continues to guide people in learning and practicing contentment, in pursuing progressive values, disdaining desire, and renouncing action. These actions are understood as prerequisites to ascend to a lofty level of transcendence.

2.4.3 The Buddhist Perspective

Buddhism, a religion that originated in India, embraces a collection of practices and traditions drawn from the body of teaching and wisdom accredited to the Buddha. This religion reached China via the Silk Road in the 1st century during the Han Dynasty. To understand the wisdom of Buddhism, several basic principles must first be understood. The basic teachings and philosophy of Buddhism begin with the Four Noble Truths (四諦): the truth of dukkha (苦諦), the truth of the origin of dukkha (集諦), the truth of the cessation of dukkha (滅諦), and the truth of the path leading to the cessation of dukkha (道諦). These Four Noble Truths are explained in detail below.

According to Madhyamagama (中阿含經), the first noble truth describes three categories of dukkha. The first category of dukkha comprises the physical sufferings related to birth (生苦), old age (老苦), bodily illness (病苦), and death (死苦). These sufferings are denoted as ordinary sufferings. The truth of dukkha, a cornerstone of Buddhist philosophy, leads to the understanding that life is inherently filled with sufferings (Murti, 2013). However, Buddhism promotes neither pessimism nor optimism but is concerned with reality.

The second category of dukkha relates to the suffering of attachment to transitory possessions (取). Internal distresses are the sufferings created by change. The third category of dukkha relates to the frustration of

impermanence that suffuses the fleeting, temporary existence of all life forms. This third level of dukkha represents a basic and inevitable dissatisfaction because people's expectations can never be actually fulfilled. This dissatisfaction is called the dukkha of conditions.

The second noble truth relates to the origin of dukkha, which can be traced. This second truth explains the cause of sufferings (緣起) in terms of the various developmental stages of the human being. Relative conditions and relationships can considerably explain various concepts. The Buddha described a Twelve-fold Chain (十二因緣), which refers to a causal relationship between cyclical phenomena, where one leads to another, and so on. These chains are enumerated as ignorance (無明), fabrications (行), consciousness (識), name and form (名色), six sense media (六處), contact (觸), feeling (受), craving (愛), clinging/sustenance (取), growth (有), birth (生), aging, and death (老死). Together, these chains comprise a never-ending cycle of birth-and-death, known as saṃsāra (涅槃寂靜) (輪迴).

Similarly, the cyclic effect of deeds (業報輪迴) describes how our deeds shape our present and future existence. Future existence is determined by one's good and evil deeds. The concepts of reactionary work have a strong influence among Chinese people. Therefore, the root cause of dukkha and its perpetuation is due to desire and ignorance of the true nature of reality.

The third noble truth concerns the absolute cessation of dukkha. Until they free themselves from suffering—by achieving liberation or nirvana (涅槃)—people continue to experience pain in cyclic existence. The removal and negation of the first instance of ignorance leads to the nonexistence or nullification of other existences. Traditional Buddhism enumerates three features of existence (三法印) as the three characteristics of all beings: impermanence (諸行無常), non-self (諸法無我), and liberation quietness (涅槃寂靜). Impermanence (諸行無常) means that all things are in a state of continual flux. In reality, nothing can stop this transformation of gross and

subtle existence. Non-self (諸法無我) refers to the idea of the lack of independent individual existence. Our physical existence is finite and cannot be extended for any significant period of time, beyond creating a causal relationship for other physical existences to develop. Liberation quietness (涅槃寂靜) denotes the platform of liberation that transcends the painful cyclic existence of repeated birth and death. This state has been characterised as a quiet and painless one. The spiritual state known as liberation (涅槃) is devoid of all traces of greed and ignorance. The ultimate goal of Buddhist practice is realised with the achievement of liberation (涅槃境界).

The last noble truth explains the methods of practice to achieve liberation based on the Noble Eightfold Path (八正道). This noble truth comprises eight interrelated factors that have the potential to end all sufferings. These eight factors are correct understanding (正見), correct intention (正思維), correct speech (正語), correct action (正業), correct livelihood (正命), correct effort (正勤), correct mindfulness (正念), and correct concentration (正定). The Noble Eightfold Path is generally categorised into three divisions (三學), namely, wisdom, ethical conduct, and concentration. Wisdom includes correct understanding and correct intention. Ethical conduct includes correct speech, correct action, and correct livelihood. Concentration includes correct effort, correct mindfulness, and correct concentration.

Mahayana Buddhism (大乘佛教) is the most prevalent of the two main branches of Buddhist thought and practice in the world. Based on the Mahayana system, six perfections or methods (六度) can guide all beings to move away from the birth-and-death cycle, and progress toward the liberation state. These six perfections are also held capable of removing the three poisons from all beings. In Buddhist thought, these three poisons (三毒), also referred to as the three harmful roots, are greed (貪), hatred (嗔), and ignorance (痴). These harmful roots are described as the roots of suffering.

The six perfections are generosity (布施), discipline (持戒), forbearance (忍

辱), diligence (精進), contemplation (禪定), and wisdom (智慧). From these perfections, generosity and forbearance are the most prominent features of benevolence and kindness, as understood in Mahayana Buddhism. These qualities embody the spirit of sacrifice that is highly esteemed in the general society. Although people are wealthy, they also need to practise Ren as Ren can bring them longevity (富貴之人固要忍，必能造 福逾綿長) (Sun, 2009).

In summary, Buddhist philosophy first considers the plight of all beings (i.e., their suffering) and the question of how suffering can be eliminated. This philosophy ultimately aims to achieve the lofty goal of liberation. Through careful study and understanding of the principles of impermanence (諸行無常) and non-self (諸法無我), beings need to cast off greed (貪), hatred (嗔), and ignorance (痴) to inflict discipline upon themselves, as well as ultimately reach the conceptualised state of non-self. This way, actual liberation can be attained.

The teachings of Mahayana Buddhism proclaim the values and worth of Ren, emphasizing the notion that which is deemed unbearable becomes the gateway and path to one's absolute good. This condition demands total sacrifice on the part of the disciple, and complete abstention from causing harm to others by one's body, mind, or speech. The Ren philosophy, as presented within the Buddhism perspective, has had a profound and lasting impression on the Chinese culture and mindset. Moreover, the teaching of the causal relationships of the Twelve-fold Chain (十二因緣) has led many Chinese to consider the interconnectedness of all things. Their belief is strengthened that rewards flow from self denial and pious acts, whereas punishments and limitations are the only fruits of one's transgressions. In general, Ren has played a significant role in assisting Chinese people cultivate a peaceful and progressive existence by raising their tolerance level in the face of external disturbances or aggression.

Although Buddhism did not originate in China, it has become the third most influential philosophy of the Chinese culture. Buddhist teachings - spanning

the extensive human experience - illuminate the values of suppression, selflessness, self-deliberation, desirelessness, and conscious feeling and awareness. Buddhism encourages the use of the heart to feel and act in such a way that enlightenment can gradually be obtained, while vigilantly dispelling negative karmas and avoiding potential retributions.

2.4.4 Similarity and Differences among Different Schools of Thought

In Table 2.3, an attempt has been made to summarise the similarities and differences of Ren as they are discussed in the Confucian, Daoist, and Buddhist systems.

Table 2.3: Elements of Ren as Interpreted by Confucianism, Daoism, and Buddhism

	Confucianism (儒家)	Daoism (道家)	Buddhism (佛家)
Desire (慾望)	Life mission is to sanctify oneself 成聖成人, 一生使命 (Section 2.4.1.1, Par. 1; Section 2.4.1.1, Par. 1)	Become a real person, a man of God, a perfect man, self-cultivated, and transcendent 成為真人, 神人, 至人, 超越, 養身. (Section 2.4.2, Par. 2)	Human beings have infinite desire; Ren provides a means to go beyond these desires. The goal is to pass beyond one's ordinary realm of experience. 無我境界, 欲望無窮, 忍是脫離欲慾方法之一 (Section 2.4.3, Par. 4)
Emotion (情緒)	People should honour seniors as they would honour their own parents. People should also take care of others' children as they would their own. People are considerably inclined to perform good acts once they have been the recipient of another's care. 老吾老以及人之老 幼吾幼以及人之幼 推己及人的情素 (Section 2.4.1.1, Par. 2)	Disdain desires 寡欲 (Section 2.4.2, Par. 2)	Abstinence from desire 禁欲 (Section 2.4.3, Par. 3 and 5)
Living (立身)	Benevolence, ritual practice, self-control, performance of duty 仁, 禮, 克己復禮為仁 (Section 2.4.1.1, Par. 4)	Natural, pure life, few desires, contentment, absence of conflict or strife 反撲歸真 寡欲, 知足, 不爭 (Section 2.4.2, Par. 2 and 3)	Life is bitter; therefore, empty oneself of all conceptions to achieve nirvana or liberation; belief in the law of karma; reward and retribution 人生就是苦, 無我無常, 緣起法, 業報輪迴 (Section 2.4.3, Par. 1)

Chance (機運)	Accept no reward or contribution	The value of life is more important than external materials	Ren protects against retribution
	無功不受祿	生命價值重于外物	緣起法, 不忍就是造業
	(Section 2.4, Par. 2)	(Section 2.4.2, Par. 4)	(Section 2.4.3, Par. 3)
Relationship (人倫)	Benevolence, harmony, and the Five Cardinal Relationships	No conflict or argument; thus, no call for Ren; the value of life is greater than external materials	One achieves self-deliberation and self-enhancement
	仁, 和諧, 五倫	不爭, 所以無所謂忍	獨善其身, 自我解脫
	「五倫」出自《孟子·滕文公》: 「父子有親、君臣有義、夫婦有別、長幼有序、朋友有信。」	(Section 2.4.2, Par. 2)	(Section 2.4.3, Par. 4)
Dealing with others (對待)	The Confucian Analects - Wei Ling Gong: do not do to others that which you do not wish to experience yourself; This concept is mainly attributed to compassion, which can be associated with Ren.	If someone refuses to argue or fight, then no one can argue with that person (Loazi Tao Te Ching).	Use the heart to understand rather than accept the superficial meanings of words.
	仁, 己所不欲, 勿施於人, 直在其中。所謂直, 就是恕	夫唯不爭	以心傳心
	恕→忍	《老子道德經第二十二章》: 「夫唯不爭, 故天下莫能與之爭。」	《六祖大師法寶壇經·行由品》: 「法則以心傳心, 皆令自悟自解。」
	(Section 2.4.1.1, Par. 2)	(Section 2.4.2, Par. 4)	(Section 2.4.3, Par. 4)

Wealth (富貴)	Wealthy people may lack benevolence; need for cultivation of Ren	A contented person is rich (Loazi Tao Te Ching)	Although people are wealth, they also need to practise Ren as Ren can bring them longevity
	富不仁為,所以為富者,更加要忍 (Section 2.4.1.1, Par. 1)	知足者富 《老子·道德經第 33 章》 (Section 2.4.2, Par. 4)	富貴之人固要忍，必能造 福逾绵长 (Sun, 2009). (Section 2.4.3, Par.9)
Management (治世)	Benevolent government According to Mencius, people are paramount, followed by the state; the least important is the king.	No argument or conflict is the best strategy for success Inaction Being contented in the present moment, quiet acceptance of what comes in a timely way, and quietly handing back, giving self no time for grief or joy	Bodhicitta, also called the enlightened mind, is the illumined mind that endeavours toward awakening and compassion for the benefit of all creatures. Mahayana Buddhism preaches enduring unendurable thing as the cradle of all blessings.
	仁政 孟子‘民為重,社稷次之,君為輕’ (Section 2.4.1.1, Par. 1)	Being taken advantage of by others is taking advantage of others. 不爭而善勝, 無為, 安時而順處, 《莊子·養生主》：‘安時而處順,哀樂不能入也’ 吃虧就是佔便宜 (Section 2.4.2, Par. 8)	Never harm other living creatures. Mahayana Buddhism is the most prevalent tradition of Buddhism today. 發菩提心 大乘佛教宣揚忍受不可忍受的事是萬福之源 絕不作有害於眾生的事 (Section 2.4.3, Par. 7)

2.5 Theories that may Explain Ren in the Western Culture

In the previous section, the differences and similarities between Ren and forbearance have been discussed. Hence, Chinese people value of Ren has research value and is worth investigating independently as a concept. In this section, the major question is as follows: Can well-established Western theories explain the concept of Ren? This thesis assumes that Ren does not occur in a vacuum; thus, a few Western theories may partially explain this concept and the possible Western equivalent of Ren can be explored in this section.

This section discusses the relationship of Ren with Western theories. In Western society, the concept of Ren seems to be closely related to four Western theories, namely, economic exchange theory, equity theory, social exchange theory, and theory of indebtedness. These theories will be described in detail in the following sub-sections.

2.5.1 Economic Exchange Theory

Under economic exchange theory, people have a tendency to get involved in activities that can simultaneously minimise their costs and maximise their rewards (Mitchell, Cropanzano, and Quisenberry, 2012; Becker, 1974). Individuals are highly rational that they will calculate the best outcome based on the costs and rewards of the transaction (Becker, 1974).

An explicit contract must also be held between two individuals or parties under economic exchange theory (Ho, 2006). All parties concerned must observe their respective responsibilities and perform their stated performance under the contract because such contract is enforceable (Organ, 1990). The ultimate goal or objective of both parties is to maximise the utility under the contract.

The reciprocity relationship between various generations, namely, parents and children, is an essential issue of theory of reciprocity (Henrietta et al., 1995). The motive of the giver in providing the receiver benefits is to secure benefits from the receiver henceforward.

Therefore, under economic exchange theory, parties in the activities such as contract or transaction may practise the concept of Ren though not in the same manner as in the Chinese culture. In the Chinese culture, Chinese people's expectation of reciprocity in the future and gift-giving is an art. The gift may be tangible or intangible. In the Western culture, western people tend to exchange gifts like gift swapping at Christmas time. Another example is related to diversity of reciprocity. In the Chinese culture, there is a saying, "I honour you one foot. You honour me ten feet." Literally, it refers to the situation that if you give respect to me, I will give respect to you in larger quantity in return.

2.5.2 Equity Theory

Equity theory emphasises the fairness of the activity or transaction (Adam, 1965; Morand and Merriman, 2012). Inequitable exchanges, whether under-benefiting or over-benefiting one of the two parties, may halt the relationship of the two parties (Wagner, Eggert, and Lindemann, 2010).

This theory of equity has an effect on the context of family. For example, parents make capital investments in nurturing their children in the hope that the former will be repaid when the latter becomes adults (Baquedano-López, Alexander, and Hernandez, 2013; Raut and Tran, 2005). Moreover, an individual's psychological discomfort exists if one cannot reciprocate valued resources to the giver. Therefore, the individual is motivated to maintain the equilibrium of the psychology state (Chow, Lowery, and Knowles, 2008).

Hence, under the equity theory, parties in the equitable exchanges seem to practise the concept of Ren even though not exactly the same as in the Chinese culture. In the Western culture, the return of investment will be more immediate; whereas, in the Chinese culture, it seems that the return of investment will be more about the future. For example, the nurturing of children in a family. Chinese people tend to realize the return in the future.

2.5.3 Social Exchange Theory

Based on this theory, reciprocity refers to interpersonal exchanges in the non-economic social environment (Emerson, 1976; Gouldner, 1960; Homans, 1958; Thibault and Kelley, 1959). Rational individuals also aim to minimise the cost and maximise the benefit in social interactions (Thibault and Kelley, 1959). Moreover, exchanges include a variety of resources, including commodities and expertise. Under social exchange theory, fair exchange based on tacit contract and dyadic communication is the criterion for social interactions (Blau, 1964; Homans, 1958).

Four essential characteristics of social exchange theories are summarised below.

Firstly, human beings are highly rational such that they can assess the costs and benefits in their social interactions (Cropanzano and Mitchell, 2005). Weighing different choices or options is a common social exchange behaviour (Cook and Rice, 2006).

Secondly, interdependence exists between the two parties (Cook and Rice, 2006). Although the degree of interdependence between the two parties may not be the same under social exchange theory, the precondition of a few degrees of dependence between the two parties are necessary (Cook and Rice, 2006).

Thirdly, this theory emphasises the unforeseeable mutual exchanges over time (Homans, 1958). Thus, individuals reciprocate one another with benefits over time. If one party does not reciprocate the benefits to another party, then the relationship will cease over a period of time. Examples of such relationships include the social exchange between lecturers and students, managers and subordinates, and so on.

Finally, social exchange theory also allows the exchanges to occur between different social classes (Molm and Cook, 1995). Examples of such exchanges include that between different income groups or certain status groups.

As such, under social exchange theory, parties tend to practise the concept of Ren although not in the same way as in the Chinese culture. For instance, someone give a gift of \$100. In the relationship, Chinese people do not necessarily need to receive the same amount of amount. It will take into the economic capability of the receiver to pay back. It does not totally rely on the absolute value of the gift. In the Western culture, people expect the same amount of gift.

2.5.4 Theory of Indebtedness

Under the theory of indebtedness, favours offered by the giver form a social indebtedness on the receiver, who is obliged to reciprocate the favours to the former (Gouldner, 1960; Green et al.). The inability to provide benefits to the giver may cause the receiver's sense of guilt, anger, and reduced self-worth (Neufeld and Harrison, 1998). Once the 'debt' or benefit is repaid, the sense of indebtedness will be removed. For example, repaying the debt to parents can alleviate the sense of indebtedness (Hsu and Shyu, 2003). However, a few people may think siblings will be indebted to their respective parents for the rest of their lives (Blau, 1973).

As a result, under indebtedness theory, favours offered by the giver create a social indebtedness on the receiver, who is obliged to reciprocate the favours to the former, which may lead to the practise the concept of Ren although not in the same way as in the Chinese culture. In the Chinese culture, Chinese people can endure to pay back the debt in the appropriate time in the future. In Western people, they will pay back very fast. Also, Chinese people may back more than they lend before.

2.5.5 Important Issues

Four issues can be derived from the the descriptions of economic exchange theory (Mitchell, Cropanzano, and Quisenberry, 2012; Becker, 1974), equity theory (Adam, 1965; Morand and Merriman, 2012), social exchange theory (Cropanzano and Mitchell, 2005; Emerson, 1976; Gouldner, 1960; Homans, 1958; Thibaut and Kelley, 1959), and theory of indebtedness (Gouldner, 1960;

Green et al., 1980). These issues, which include value of benefits, timing of returning benefits, format of repayment and subject of repayment, are explained in detail below.

Firstly, the value of benefits should be symmetric; otherwise, the social relationship will be difficult to maintain (Gouldner, 1960). Even though the same amount of repayment does not occur in a short period of time, symmetric exchange is expected for a long period. Hence, individuals attempt not to be over-benefited because such condition may lead to negative consequences in the long run, that is, loss of social relationship (Uehara, 1995).

Secondly, although the timing of returning the benefit is not explicitly mentioned by individuals, individuals tend to expect to receive the benefit at once (Westwood, Chan and Linstead, 2004). However, family members do not often expect the reciprocity of benefits in the immediate term (Clark, Mills and Powell, 1986).

Thirdly, the format of benefits can be either approximately the same or different (Gouldner, 1960). Although the format of benefits may vary, the value of the benefits should be approximately the same so that all of the parties are not over-benefited. Various repayment formats are acceptable (Kulis, 1992). For example, the repayment of benefits to parents by children can vary depending on the situation.

Finally, the subject of repayment is another important issue of reciprocity. Under normal circumstances, the subject of repayment should be exactly the same as the individual who offers the favour in the first place owing to the bilateral exchange relationship (Gouldner, 1960).

After discussing the relationship of Ren with Western theories, the next section summarizes the key points of this chapter.

2.6 Chapter Summary

In summary, this chapter reviewed the literature on Ren in detail; it also reviewed the differences in conventional Chinese concepts of Ren when compared with their Western counterparts. In general, the conventional Chinese concepts of Ren have been misunderstood to correspond precisely to the concept of forbearance, which exists in the Western literature. Furthermore, the tools available to measure the aforementioned concepts may be inappropriate in the context of current Chinese society. Therefore, creating a theoretical framework for the conventional concepts of Ren in the context of present Chinese society is imperative. More significantly, this chapter mainly focused on featuring the research gaps and the detail explanation of research gaps can be found in Section 2.1.1 (p.22 – p.26). The general description of the research gaps is presented as follows:

Research Gaps

Based on the discussion in this chapter, there are six important gaps that will attribute to the study of Ren which will be explained in detail as below.

Firstly, **Ren has yet to be investigated** according to the Chinese literature in the marketing and management context. Ren is a typical Chinese value of man-to-himself, but the concept is rarely mentioned in the value orientation model (Kluckhohn and Strodtbeck, 1961). Therefore, the Chinese value of Ren seems to come forth as a genuine gap for further study. Empirical research on Chinese cultural values is the recent development starting from 1980s (Yang, Yip and Wong, 1989). However, these studies are not related to business or marketing.

In addition, **Ren is a value that is highly internalised and practised daily** by the Chinese (Yang, 1992; Man, 1988; Leung, 1982). The regular practice of Ren in the Chinese culture enhances one's determination, energy, happiness and self-respect (Yang, 1992). Without deeper comprehension of Ren, using modern research method to study the Chinese literature seems incomplete.

Thirdly, **Ren is an important value at the individual level**. Ren is a value

categorised under the personal activity orientation in Yau's Chinese Cultural Value Scale (Yau, 1994, 1988), but it has not been explicitly expressed. The Doctrine of the Mean (trans. Legge 1969) is highly related to and is reflected by Ren, and it will be explained in depth in a later section on the perspective of Confucianism on Ren.

Fourth, referring to the extant literature reviewed in the later section of this chapter, Ren has several similarities with the meaning of forbearance; however, the meaning of **Ren is considerably profound in Chinese context** (Hartz, 2009) regarding the aspects of self-determination (Siderits, 2007), compromise (Husted, 2012), retreat (Verma & Araya, 2010,) mission (Dubois, 2011) and self-actualization (Harvey, 2012). As indicated in Table 2.2, the key differences and similarities between Ren in the Chinese culture versus Forbearance in the Western culture are highlighted.

Fifthly, **studies on Ren based on major Chinese philosophies are lacking**. Yang (1994) explained that the Chinese culture stresses the quality and value of a group or social orientation, and Ren is not a standalone value.

Finally, no research has yet to measure Ren as a concept; thus, constructing a **scale of Customer Ren Orientation** is necessary so that the relationship between such concept and other constructs or elements (specifically the relationship between Ren and service quality) can be empirically studied in an extensive manner.

As previously discussed, Ren is a highly internalised and frequently adopted value in Chinese society; hence, the contribution of this study is both significant and relevant because of the research gaps which have been discussed in great detail in both chapters one and two. The next chapter will present the conceptualisation of Customer Ren Orientation that hypothesises the relationship between its different attributes.

Chapter 3 A Conceptual Model of Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty

The previous chapter provided a comprehensive description of the nature and meaning of Ren from a cultural and philosophical perspective. It is supposed to be a significant construct in the Chinese culture. However, Ren has received little attention in the Business-to-Customer context from researchers in the past. Also, Ren has not been studied systematically and empirically. For instance, Cheung, Chow, and Wong (2008) have explored the practice of Ren in the Chinese family. Along the same line, Hwang, Cheng and Hwang (2008) also investigated the practice of Ren in the family setting. Lee (2010) also studied the practice of Ren between couples. However, none of the above scholars explicitly examined its effect on business relationship between customers and service providers. As such, a research gap must be addressed for further investigation.

After discussing the value of Ren in the last chapter, this chapter will focus on exploring how Ren as a value can be conceptualized and be developed as a scale for customers' Customer Ren Orientation, i.e., the measurement of the propensity to practise Ren, which will be explained in Chapter Four. We will discuss whether Customer Ren Orientation affects other constructs in the business model such as the relationship between Customer Ren Orientation and Business Relationship. Furthermore, we will investigate whether Customer Ren Orientation affects the loyalty of customers to service providers. Moreover, if both the Chinese values of Ren and Business Relationship are combined, we will study whether they have any interaction effect on the Service Quality provided service providers. Referring to the Customer Ren Orientation Model, which will be discussed later in this chapter, we will investigate whether any element that has moderating effect and/or mediating effect on the loyalty of customers toward service providers.

The research question of this thesis is as follows:

What is the effect of the Customer Ren Orientation of customers on their relationship and experience with service providers?

This thesis examines the effect of the customer's Customer Ren Orientation, i.e., the propensity of Ren on the consumer's relationship with a service provider, which will be explored later in this chapter. In addition, the measurement of the Customer Ren Orientation will be explored in the next chapter.

Both Customer Ren Orientation and Harmony are antecedents of a consumer's evaluation of service quality and loyalty. Customer Ren Orientation may further enhance the impact of Business Relationship on Service Quality and this is worth studying. And there is little empirical study about the relationship between Ren and Harmony. However, according to Lam, Fielding, McDowell, Johnston, Chan, Leung and Lam (2012), it is found willingness to spare time to listen or communicate with family members is crucial to harmony of a family. Yet, this is a qualitative research not empirical study. Further explanation of the relationship between Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty will be discussed in Section 5.4: Direct, Indirect and Total Effects.

This chapter discusses a conceptual business model of Customer Ren Orientation (RO) and other related constructs, such as Harmony, Business Relationship (BR), Service Quality (SQ), and Loyalty (L) in depth. The chapter is divided into six sections. First, an overview of a conceptual business model of Customer Ren Orientation, which acts as a roadmap of the chapter, is introduced, followed by a discussion of each of the five constructs of the model, i.e., Customer Ren Orientation, Harmony, Business Relationship, Service Quality, and Loyalty. Considering that Harmony is another important Chinese cultural value that shares a close relationship with Ren (Chow, 2003), which has been widely researched (Chow, 2003; Fang, 2000; Ching, 1995; Tang, 1996), this study will only follow other scholars' works on the Chinese value of Harmony, which will be discussed later in Chapter Three.

All constructs of the conceptual model of Customer Ren Orientation are lined

up and linked so that this model is more easily understood by the reader. First, the literature review of constructs will be explored. Second, the relationship between the constructs based on the literature review will be discussed. The sequence of presenting the constructs and relationship of antecedents and outcomes will be listed in succession.

This model is developed based on the thorough review of the extant literature that will be outlined in the subsequent sections, particularly regarding the constructs of Harmony Orientation, Business Relationship, Service Quality, and Loyalty. The service experience of customers will be studied in the quasi-experiment, which will be discussed in-depth in Chapter Four, Research Methodology.

3.1 A Conceptual Model of Customer Ren Orientation

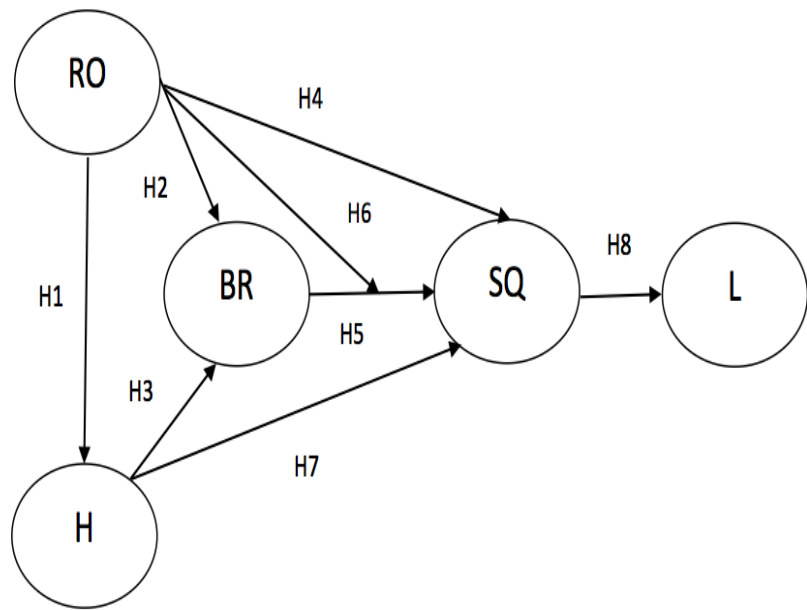
The focus of this study is on the Chinese value of Ren. Although Harmony has been studied thoroughly by other scholars, Ren has received scant attention in the business-to-customer context. For the study of Harmony, I will only follow other scholars' work. In addition, I will study the interaction effect of Chinese values of Ren and Harmony on customers' relationship.

Figure 3.1 illustrates the proposed relationship between Customer Ren Orientation, Harmony, Business Relationship, Service Quality, and Loyalty. Apart from Ren, Harmony is another important indigenous Chinese value that can help predict people's deeds (Kidwell, Kellermanns and Eddleston, 2012). As such, the second construct is Harmony. Given that Harmony has been examined by other scholars before (Chow, 2003; Fang, 2000; Ching, 1995; Tang, 1996), the construct will be discussed in the coming section. The philosophy of Confucianism states that human beings are socially connected. In addition, building a good business relationship is an important social investment in the community (Yau et al., 2000). Therefore, Business Relationship is the third construct of the model. Maintaining a good business relationship is critical to enhance service quality of a business (Chow, 2004). Therefore, the fourth construct of the model is Service Quality. A high service quality can also maintain customer loyalty. Customers are satisfied with the

services of companies that consistently meet their needs and desires. Such service quality produces customer loyalty and ensures repeated patronage of company services (Andaleeb and Conway, 2006; Iglesias and Yague, 2004). The fifth construct of the model is Loyalty.

Despite drawing on extensive literature review, this model is the focus of this research study. The details and the seven hypotheses will be discussed in-depth in the coming sections. In addition, this model comprises five constructs. The independent variable is Customer Ren Orientation. Four dependent variables are used in the study. In other words, Customer Ren Orientation has a direct effect on Harmony, Business Relationship, and Service Quality. Furthermore, Customer Ren Orientation and Harmony have an interaction effect on Business Relationship. Business Relationship has a direct effect on Service Quality. In turn, Service Quality has a direct effect on Loyalty. Considering that Customer Ren Orientation is the focus of this research study, this construct will be first explained in the next section.

Figure 3.1: A Conceptual Model of Customer Ren Orientation



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

3.2 Customer Ren Orientation

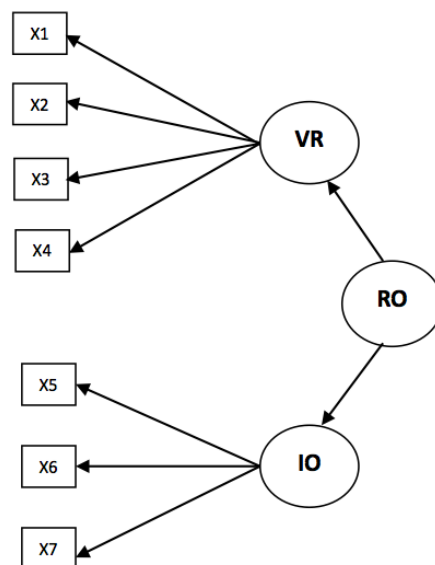
Customer Ren Orientation refers to the propensity to both act or not to act (Shuowen Jiezi). Yeung (1992) mentioned that an objective to practise Ren. Ren is a type of sacrifice and is commonly found in any interpersonal relationship whether in the business level or the individual level. The character of sacrificing oneself in the Chinese community is one way to resolve many problems in daily life. Whenever any serious conflict occurs between individuals or colleagues, Chinese people may use Ren to overcome such conflict. This practice is also instructional for people when dealing with others in business or in interpersonal relationships.

As discussed in the previous chapter, according to Rokeach (1973), the classified value system is divided into two dimensions of values: Terminal Values and Instrumental Values in the Rokeach Value Survey (RVS; Rokeach 1973). Terminal Values can be defined as the ideal end-states of presence, which are the goals that people could attain throughout their lifespan. These goals include Mature Love, True Friendship, Happiness, and Self-Respect. Importantly, these Terminal Values are culture-specific. Instrumental Values mean desirable actions of attaining the Terminal Values, examples of which include Ambition, Cheerfulness, Cleanliness, Self-Control, and Love. A total of 18 terminal value items and 18 instrumental value items are found. Self-control, which has some commonality in meaning with Ren, is classified as an instrumental value item. Although the Rokeach's scale is related to the Chinese culture, it does not adequately represent Ren. Similar with the dimensions described in the Rokeach value system (1973), Customer Ren Orientation relates to the two dimensions of value of Ren: Value Ren and Instrumental Ren. The discussion in the literature of Ren in Chapter Two contributes more to the understanding of Value Ren, affecting the formation of the value of Ren in this chapter. By contrast, this chapter focuses on Instrumental Ren, which will contribute more to the behavior of Ren, subsequently forming the instrumentality of Ren.

3.2.1 Conceptualisation of Customer Ren Orientation

In this section, an attempt is made to set up a second-order conceptual model of Customer Ren Orientation, which is based on Structural Equation Modelling (SEM) in marketing and business research (Wu, Lu, Yu and Hou, 2013; Byrne, 2013; Martínez-López, Gázquez-Abad and Sousa, 2013; Nunkoo, Ramkissoon, and Gursoy, 2013;). Similar frameworks studying such values can also be found in the literature (Cheng, 2008; Kwong and Yau, 2002). The framework of Ren is a model with reflective indicators comprising two dimensions: Value Ren (VR) and Instrumental Ren (IR). Value Ren is the shared belief system of different constituents of Ren, which includes the elements of Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, and Adherence to Rationality. Instrumental Ren is the process through the action of Ren, in which the final objective is accomplished, embracing the elements of Status Quo, Moving Forward, and Moving Backward. Figure 3.2 shows the conceptualisation of Customer Ren Orientation. A description of the conceptual representation of Value Ren is shown in Figure 3.3, which will be discussed in the next section; a description of the conceptual representation of Instrumental Ren is depicted in Figure 3.4.

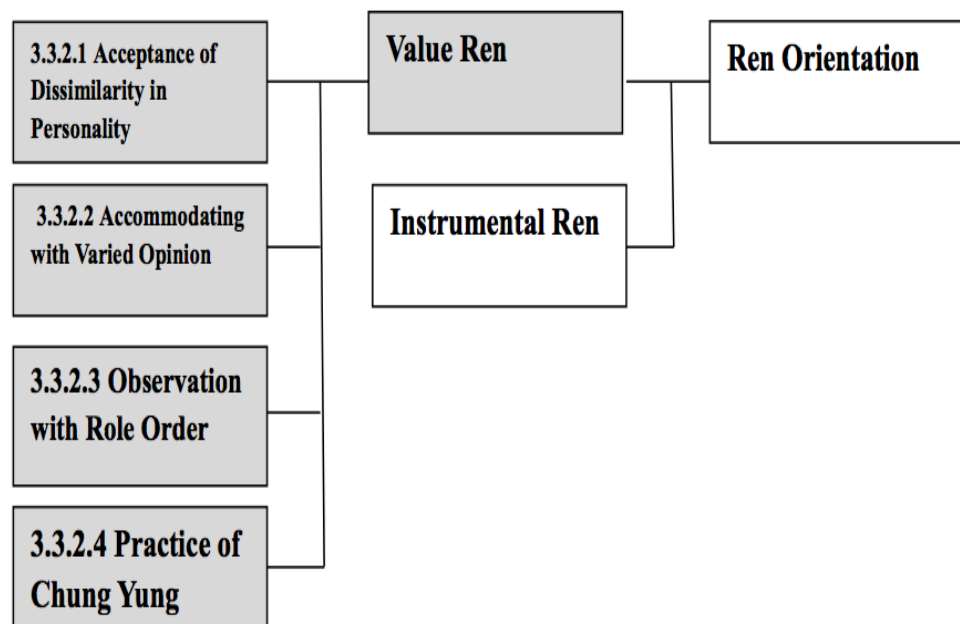
Figure 3.2: Conceptualisation of Customer Ren Orientation



3.2.2 Value Ren (忍的價值)

As a result of conducting an extensive literature review of Ren in Chapter 2, a construct of Value Ren is developed and delineated into three elements. Value Ren is the shared belief system of different constituents of Ren, which includes the elements of Acceptance of Dissimilarity in Personality, Accommodating with Varied Importance, Observation of Role Order, and Adherence to Rationality. A description of the conceptual representation of Value Ren is provided in Figure 3.3.

Figure 3.3: The Conceptual Representation of Value Ren



The first element of Value Ren, Acceptance of Dissimilarity in Personality, represents the receptiveness to different entities; it allows people to accept the dissimilarities of different personalities of different parties (Wu, 2009; Xi, 2009). The second element of Value Ren, Accommodating with Varied Opinion, means that people's perceptions toward the importance of things can lead to different levels of tolerance. The third element, observation of role order, explains how people practise Ren to maintain the unity of the family or organisation (Children's Guide). In addition, the last element, the Adherence to Rationality allows people to maintain equilibrium while differences are

recognized. In the following sections, these elements of Value Ren will be explained in detail.

3.2.2.1 Acceptance of Dissimilarity in Personality

Acceptance of Dissimilarity in Personality of Value Ren refers to the shared belief of tolerating other people with different personalities (Wu, 2009; Xi, 2009). According to the Bible of Ren, people always need to bear the differences of personalities between people. For example, someone may be more parochial than are one's friends (偏狹之忍). Someone may be more stubborn and less intelligent than are one's friends (頑嚚之忍). Someone may feel more dissatisfaction than do one's friends (不滿之忍) (Wu, 2009). Ren can help deal with the different interactions between individuals. Whether good or bad, we have to tolerate such interactions. For instance, negative comments, which include insults, hatred, jealousy, betrayal, defamation, complaints, opposite views, and so on (One Hundred Stories of Ren) (Xi, 2009), may need to be tolerated. Although praise and crafty facial expressions may not hurt anyone, it is necessary to tolerate them as well. All the above mentioned situations demand us to use Ren to accept the differences of personalities between people.

Possible Marketing Implications of Acceptance of Dissimilarity in Personality

Firstly, in the marketing context, service organisations should pay more attention to and deal with different customers i.e. some customers can practise more Ren and some customers do not. Particularly, this can be reflected by the complaints from difficult customers. In terms of food delivery, politeness of the staff, quality of food, and responsiveness of the staff, customers may not be able to tolerate the service quality of the service provider. As staff of the service organisation, they must understand more about customers' needs and the bottom line so that customers can be satisfied or even delighted with their good service. Different customers may have different expectations of service organisation, i.e., responsiveness of the staff and quality of food. Hence, customers' tolerance level may vary (Wu, 2009; Xi, 2009). Thus, service

providers may need to treat the complaints from customers more seriously as all those complaints can help the service provider to understand customers in a greater depth. As indicated in the three cases of Section 1.1, complaints from customers were so important for service providers to understand customers better, and subsequently, service providers should find the right way to serve their customers appropriately.

3.2.2.2 Accommodating with Varied Opinion

Accommodating with Varied Opinion of Value Ren refers to the shared belief of tolerating people's different perceptions toward the importance of things. If people perceive things as insignificant in their lives, they may let them go without complaint. By contrast, if people perceive things that may cause high risk to their lives, they may stop tolerating the situation and begin to fight for their own rights. According to Analects (trans. Muller 2015), a small leak will sink a great ship (小不忍則亂大謀《論語》). Analects (trans. Muller 2015) also mentions that the superior person can cooperate well with other people although they do not easily agree with others without serious considerations. However, the inferior person agrees with others verbally, but not internally. (《論語·子路》：君子和而不同，小人同而不和。) (Analects, trans. Muller, 2015).

Based on the Bible of Ren, people who are not greedy with or chasing after fame, authority, materials, money and fortune (富之忍章), and opportunities and threats (機運之忍) demonstrate Ren. If people can tolerate this instance, they can tolerate other instances (是可忍孰不可忍).

In sum, Accommodating with Varied Opinion describes that individuals have to accommodate with different people's views toward perceived importance, e.g., opinions.

Possible Marketing Implications of Varied Opinion

In the context of service marketing, service providers need to conduct marketing research, such as survey and observation, to closely monitor the

varied perceived importance of the service quality by customers. For example, Fisher Price uses a one-way mirror to observe the varied perceived importance of kids in choosing the features of toys. In the service industry, the value of Ren could be critical to understand the ever-evolving needs of the target market, as well as to attribute to the success of the launch of new products.

3.2.2.3 Observation of Role Order

Observation of role order of Value Ren can be defined as the shared belief to bear faithfulness to deeds that display respect to other people and admit the responsibilities that arise from the person's position in a ranked relationship (Riel, 1996).

Benevolence can be expressed within the framework of personal relationships and by the wider context of social interactions, such as in the family or in the work environment. Very often, five important Cardinal Relationships are emphasized in Confucianism. Mencius (trans. Legge 1960) says five important relationships, particularly in Chinese society: ruler-and-subordinate, father-and-son, brother-and-brother, husband-and-wife, and friend-to-friend.

Knowing the fundamental discipline required in the establishment of personal relationships is a major principle of Confucianism. This discipline is used as a guideline for people to act appropriately. Every entity has a role to play. Conscientiously performing one's individual role enables the wider social body to live together in relative peace and harmony (Analects, trans. Muller 2015).

Zhu Xi believes that all things have their own nature and unique feature, such as in the cases of the monarch, the minister, the father, and the son (Zhu, Yen and Liu, 2002). In Confucianism, people need to practise Ren in different role orders in different situations, such as the roles of father and son (父子) and the roles of elder brother and younger brother (兄弟) in the family context, and the roles of the monarch and the minister (君臣) in the palace context.

Based on the Bible of Ren (Wu, 2009), the roles of the honor and the inferior 尊卑之忍, the roles of the guest and the host (賓主之忍), and so on should be respected. Teachers should be treated as our senior relatives and colleagues as brothers (Zhu, Yen and Liu, 2002).

In sum, Observation of Role Order explains that an individual needs to practise benevolence to observe the role order in different contexts, i.e. family, workplace, and so on. In addition, an individual needs to bear the responsibility given by the role of the position.

Possible Marketing Implications of Observation of Role Order

In the context of service environment, service providers such as Mass Transit Railway (MTR) need to ensure that appropriate and clear signage are in place to educate customers of giving priority seats to seniors. If customers can notice that some special positions in the train are only reserved for senior people, they can practise Ren and try not to occupy the priority seat by themselves and as a result, this will lead to a more harmonious atmosphere in the service environment.

Based on the Bible of Ren (Wu, 2009), the roles of the honor and the inferior and the roles of the guest and the host should be respected. Senior customers should be treated as our senior relatives and colleagues as brothers (Zhu, Yen and Liu, 2002). In the long term, the service performance of the staff may improve because of Ren culture.

3.2.2.4 Adherence to Rationality

The Adherence to Rationality of Value Ren refers to maintaining the equilibrium state while differences are observed. Similar to Chung Yung, maintaining Chung means to not lean against either one side or another; Yung signifies the unchanged (不偏不倚謂之中, 不易謂之庸) (Moa, 2002). Chung Yung (中庸), also called The Doctrine of the Mean, is a doctrine of Confucianism.

The Doctrine of the Mean (trans. Legge 1969) is one of the names of the Four Books of Confucian Philosophy. According to the Doctrine of the Mean, if confusion of pleasure, anger, sorrow, or joy is absent, the mind remains in a state of equilibrium and balance. Such equilibrium is essential for all human beings and the progressive existence of nature.

The Doctrine of the Mean (trans. Legge 1969) signifies moderation, correctness, impartiality, honesty, authenticity, and politeness. Its principle is not to act in excess. Therefore, we should control our temper and desire (懲忿窒欲). For example, emotions, especially anger (怒之忍), happiness (喜之忍), and sadness (哀之忍), should be controlled, in addition to desire. For instance, wine (酒之忍) and sex (色之忍), which refers to unnecessary intercourse, need to be controlled or they will cause disasters.

In sum, Adherence to Rationality of Value Ren teaches people how to maintain equilibrium and not to go to the extreme.

Possible Marketing Implications of Adherence to Rationality

In the marketing context, Adherence to Rationality could give a fresh perspective to uphold the morality of the company. For example, customers' perceptions towards fair pricing and quality product are very important during their purchase of a product. However, some companies might use some immoral sales promotion to entice customers to make wrong purchase. Actually, intelligent customers cannot bear this kind of immoral sales promotion based on Adherence to Rationality. If the service provider is not honest, customers will complain about it.

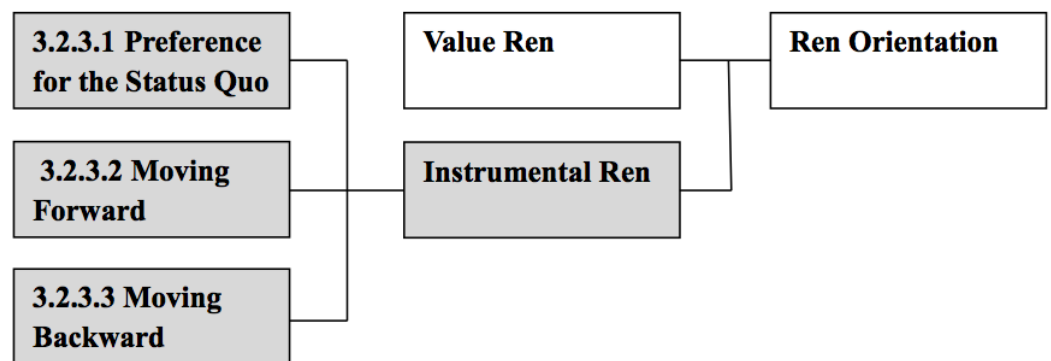
3.2.3 Instrumental Ren (忍的手段)

As discussed in Chapter 2, the Chinese word Ren is signified by someone using a small knife to stab the heart of a person (Analects, trans. Muller 2015). Ren represents the courage of people to take action. Instrumental Ren divides the mindsets of Ren into three: Preference for the Status Quo, Moving

Forward, and Moving Backward. Moving Forward and Moving Backward are both the mindset of moving forward. In other words, Moving Forward refers to the mindset of directly moving forward, whereas Moving Backward refers to the mindset of moving forward by initially moving backward. Preference for the Status Quo refers to the mindset of making no change.

In the context of Ren, two mindsets exist, namely, moving forward or no change, wherein three choices are present and only one action can be taken. These three represent different situations. Generally, three actions, which are not correlated, cannot be taken at the same time. Through self-control, self-discipline, and self-reflection, the inner values of Benevolence are revealed (Analects, trans. Muller 2015). (克己復禮為仁《論語》) In turn, self-control, self-discipline, and self-reflection help us make the right decisions to act: Status Quo, Moving Forward, and Moving Backward. A description of this conceptual representation of Instrumental Ren is provided in Figure 3.4. In this section, the reasons behind enduring such a painful experience are explained in detail as follows:

Figure 3.4: The Conceptual Representation of Instrumental Ren



3.2.3.1 Preference for the Status Quo

Preference for the Status Quo of Instrumental Ren refers to the mindset of people that tend to bear the things the way they currently are and to wait for the right moment. Analects (trans. Muller 2015) suggests to stay still with a

peaceful attitude when handling all challenges (以不變應萬變). Confucius teaches us to be patient with the present situation, especially when the time is not right yet. If one cannot tolerate the small things, the big picture will be seriously affected (小不忍,則亂大謀) (Analects, trans. Muller 2015). Waiting for the right opportunity can be very boring and tedious. However, the reward of waiting for the right moment or window of opportunity can be tremendous. The following two cases are typical examples of waiting for the right moment.

First, self-cultivation offers the backbone for Confucian morality (Yang, 1959). Even though a person is of good quality, they should not show off their performance until the environment is mature enough (潛龍勿用) (I-Ching). For example, the general who is skilled in defense hides in the most secret recesses of the earth; he who is skilled in attack flashes forth from the topmost heights of heaven (昔善守者，藏於九地之下，動於九天之上，故能自保全勝也). (Sun Tzu, Ch 4, Sec. 7) (Giles, 2002). More accurately, "hides under the ninth earth" is an analogy highlighting that the adversary does not reveal one's locations. Another analogy "acts above the ninth sky", denoting that one drops on one's foe like a flash of lightning that allows no time for the foe's defense. Therefore, we can safeguard ourselves and win the war with complete success.

Second, preparation is important before taking any action. Sun Tzu stated that "if you know your foes and know yourself, you can win one hundred battles without a single loss. If you only know yourself, but not your foe, you may win or lose. If you know neither your foe nor yourself, you will always jeopardize yourself. If you want to win the foe without battle, you must use spies to understand the foe's situation" (孫子曰：故兵知己知彼，百戰不殆；不知彼而知己，一勝一負；不知彼不知己，每戰必殆；不戰而屈人之兵；用間而察其情。) (Sun Tzu, Ch 3, Sec. 18) (Giles, 2002).

A classic example of waiting for the window of opportunity can be illustrated by Sima Yi (司馬懿), the King of China in the Three Kingdoms Period. Sima

Yi was a strategist, politician, and general of the state of Cao Wei in the Three Kingdoms Period. Considering that Sima Yi knew how to use Ren to cultivate his health, he was one of the few leaders in the Three Kingdoms period who could live up to the age of seventy-three and protect the Sima family to the last moment (Cheng, 2000). Sima Yi had the wisdom to foresee golden opportunities, and therefore chose the right action and likelihood in the Ren decision.

In sum, Ren is extremely important to allow people to understand situations more clearly and to outperform their competitors. It tells people to wait, sometimes without movement, for the golden opportunity to come. As mentioned in the previous example, Sima Yi had the wisdom to foresee the golden opportunity. Thus, he was able to choose the right action and likelihood in the Ren decision.

Possible Marketing Implications of Preference for the Status Quo

When encountering with a new service provider i.e. a new budget airline, customers usually have a preference for the **Status Quo** and endure the current tough situation such as long delay of flight until the arrival of sufficient information is necessary so that they can proceed with the negotiation process. However, reacting too fast might not provide a cutting edge to the affected themselves. Therefore, Status Quo of Instrumental Ren may help customers to choose the appropriate mindset and prepare for the right moment to take action. Waiting for the right opportunity can be boring and tedious for customers. However, the consequence of taking action without seriously and carefully scrutinizing the situation might cause great negative consequence such as fighting with the cabin crew. In sum, choosing the appropriate mindset of Ren is extremely important to customers, which allows them to respond to the situation more aptly. The service provider should not take advantage of the affected customers by ignoring their requests as customers should have suffered seriously before they complain about the long delay of flight. The service provider should be more receptive and understanding by providing appropriate compensations to customers for the delay rather than finding excuses.

3.2.3.2 Moving Forward

Moving Forward, derived from Instrumental Ren, refers to the mindset of people that tend to not endure the current situation or people and to move ahead to attain one's goal with sacrifice without delay.

Considering the adverse external environment, people often must move forward without delay. Otherwise, the consequence will be absolutely undesirable. One typical example of moving forward without delay, which is mentioned by Sun Tzu, is "When in a difficult country, do not encamp." (Sun Tzu, Ch 8, Sec. 2) 圯地無舍。《孫子、第 8 章 2 節》(Giles, 2002).

A person must dare to move forward without delay to attain their goal although numerous people may object to one's decision (雖千萬人吾往矣) (Mencius, trans. Legge 1960). This type of action can actually strengthen one's character (忍性). Given the pursuit of the righteous goal of society, one must even sacrifice the relationship with one's father (父忍). For example, when a person finds out that their father has bribed the official of the government, they must report it to the police.

Sometimes, one must sacrifice something to move forward so that one's task can be accomplished effectively. According to Qianfulun 《潛夫論》, Ren refers to the willingness to surrender something to others to move forward faster without delay.

In sum, as discussed in Chapter Two, Ren can be an action. Moving forward is one of such action adopted by people.

Possible Marketing Implications of Moving Forward

At the corporate level, this research illustrates that understanding Customer Ren Orientation should be treated as a top priority of the service organisation so that the quality of service performance can be enhanced. To understand Customer Ren Orientation, organisations may incorporate Customer Ren

Orientation into its corporate training programs and the deployment of staff, i.e., training and development of front line staff in the service industry. Based on the specific culture of different organisations, marketing practitioners may have the mindset of cautiously considering various factors of Customer Ren Orientation in the existing training and development program. Also, they should take it seriously and be more receptive and accommodating when customers go forward to complain about the service organisation.

3.2.3.3 Moving Backward

Moving Backward of Instrumental Ren, which is the opposite action of moving forward, refers to the mindset of people that have the tendency of retreating for a short period to achieve one's desirable goal, i.e., moving forward in the future. Moving backward itself would be a sacrifice. In contrast to moving forward, Ren can be explained by moving backward or retreating for the sake of moving forward or advancing in the near future.

The meaning of retreating can be interpreted as a mindset for people to advance, i.e., moving forward in the future. During the Han Dynasty, Yang Hung (揚雄) comments that "Confucius's disciple, Yan Yuan gave away his position to another person is a retreating behavior. This is an unusual virtue." (Baikie, 2013) 漢·揚雄《法言·君子》:「昔乎顏淵以退為進,天下鮮儷焉。」

Moving backward may be interpreted as taking a longer period to attain one's goals. For example, in the past few decades, figures such as the opposition leader in Burma, Nobel Peace Prize laureate Aung San Suu Kyi, and the former President of South Africa Nelson Mandela have been kept in prison for a long period while fighting for liberty, democracy, or higher goals in their own countries.

Similarly, Sun Tzu suggests that one sometimes may take a longer route, which does not necessarily mean taking a long time, to resolve foreseeable difficulties rather than the obvious or direct route. The final goal will still be obtained (以迂為直). (Sun Tzu, Ch 6, Sec. 30) (Giles, 2002).

One of the major teachings of Daoism is self-development. Retreat may provide a tranquil place for developing one's inner self (Raz, 2011; Kohn, 2003). The way of the sage is to refrain from striving and unnecessary endeavor (Dao De Jing, Chapter 81, trans. Muller 2011). In sum, the mindset of moving backward seems to be pessimistic. However, it may also be an optimistic move in terms of goal achievement in the long run. The analogy is similar to pulling the trigger of a pistol before shooting the target.

Possible Marketing Implications of Moving Backward

To have a better understanding of Customer Ren Orientation, the staff of the service organisation may be more observant and learn from the facial expressions of customers so that staff will not hurt customers' feelings. Under different undesirable situations, customers may use different mindsets of Ren to tackle the situations. Customers may choose the mindset of **Moving Backward of Instrumental Ren** when dealing with unfair situations. Staff members may first recognize the situation and try to put themselves in the customers' shoes.

In sum, this section discussed the two key dimensions of Customer Ren Orientation. The two dimensions are the Value Ren and Instrumental Ren. A business model of Customer Ren Orientation was conceptualized. Five elements of Value Ren, namely, Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation with Role order, and Adherence to Rationality, were identified. In addition, three elements of Instrumental Ren, namely, Preference for Status Quo, Moving Forward, and Moving Backward, were explained. The marketing implications of Ren were explored.

After discussing the two major dimensions of Ren, namely, Value Ren (VR) and Instrumental Ren (IR), the next section will explain Harmony, the second construct of the Conceptual Business Model of Customer Ren Orientation.

3.3 Harmony

In the last section, the first construct of the model of Customer Ren Orientation has been explained in great depth. This section focuses on the meaning of Harmony and particularly the harmonious relationship between people.

Apart from Ren, Harmony is another important indigenous Chinese value that can help us predict people's deeds (Kidwell, Kellermanns and Eddleston, 2012). In general, harmony refers to the demand for avoiding conflicts (Tjosvold, Hui, and Law, 2001), as well as the instrument to avoid trouble (Leung, 1997). The management of conflict essentially results in quality service of an organisation and win-win situations among people. Maintaining harmony in business leads to productivity of the organisation (Tjosvold, Hui, and Law, 2001). The Chinese values harmony as a designated state or objective, which enhances intimate and authentic interpersonal relationships (Leung, 1997). One of the functions of harmony is to use conflict to solve problems and build genuine relationships based on mutual agreement (Tjosvold, Hui, and Law, 2001). Chinese people actively refrain from conflict to pursue external harmony.

In the Western culture, harmony emerges from the Greek word *harmonía*, which means joint, agreement, and concord (Webster-dictionary.org, 2014). Harmony can be defined as interdependence, complementation, and reciprocal assistance of more than one individual or element that creates a concomitant entirety (Cheng, 1997). In the Western culture, harmony is a value that comprises impartiality, non-discrimination, and unanimity (Westwood, 1997). In addition, harmony can represent balancing characteristics and engagement of the society (Earley, 1997). Harmony is advocated more by the Chinese culture than the Western culture as the former stresses more on interdependence than on individualism (Dellios and Ferguson, 2012; Aaker et al. 2001; Schwartz, 2004; Azevedo, Drost and Mullen, 2002). In Chinese society, harmony refers to peacefulness, healthiness, and calmness (Lam Yu Tong Online Dictionary, 2014). Harmony also refers to friendliness, oneness, and kindness (Leung et al., 2002). The Chinese character of harmony (和)

seems to be one of the most frequently used words in the Chinese language (Leung et al., 2002).

Harmony is the essence of the Chinese culture, which has been deeply influenced by the main Chinese philosophies such as Buddhism, Taoism, and Confucianism (Bond, 1998; Adler, 2013). The main goal of life is to attain harmony; other goals are treated as secondary (Chen and Pan 1993). Confucianism places much emphasis on attaining harmony between the individual and the natural environment, and more importantly, on social bond or social harmony (Nasr, 2013; Adler, 2013). Social Harmony refers to the relationship between oneself and other people (Fang, 2000). The Chinese welcome criticism of their conduct to make headway to social harmony (Tjosvold, 2006) when addressing conflicts and disputes. Thus, a Chinese saying states that achieving harmonious relationship (以和為貴) is preferable over conflicts and disputes.

In contrast to Western philosophy, the Chinese culture upholds conflict avoidance (Kirkbride, Tang and Westwood, 1991). Traditionally, the Chinese are indoctrinated to cooperate in harmony with other family members and neighbors. Both Confucianism and Taoism share similar philosophies in building harmonious relationships with people in society (Dellios and Ferguson, 2012). As such, Confucianism pinpoints Wulun (五倫, the five cardinal relationships), which can directly materialize social harmony (Shen, 2014). Individuals should maintain harmony, abstaining from conflicts, violence, and extermism (Liao and Tsai, 2002) . Deeply affected by Confucianism, the Chinese tend to avoid arguments or confrontation but approve conformity and compliance. Given that open conflict is generally not desirable in the Chinese culture, the Chinese would stay away from conflict at all cost (Bond, 1993) or adopt a non-confrontational communication approach, such as the conflict avoidance method, to maintain a harmonious relationship (Leung et al., 2002; Mou, 1983). For example, the Chinese will defer a complaint even though they have found the service or product to be unsatisfactory (Yau, 1988). The Chinese even place more emphasis on the

harmony of interpersonal relationship than they do on product quality and their dissatisfaction (Hwang, 1997). Western cultures tend to perceive conflict as a vehicle to overcome interpersonal uneasiness (Triandis, 1995); whereas, the Chinese culture is prone to believe conflicts are innately harmful to harmonious interpersonal relationship (Tang and Kirkbride, 1986). Five conflict management styles are identified based on the Thomas-Kilmann model: competing, collaborating, accommodating, avoiding, and compromising (Thomas, 1976). Western cultures promote an active approach to conflict management, i.e., competing. By contrast, the Chinese choose to avoid conflicts (Ting-Toomey, 1988; Chow, 2009; Cheung, Chow and Wong, 2008). Competing shows more concern for oneself than others, whereas avoiding means more concern for others than oneself (Thomas, 1976).

To uphold social harmony, Confucianism identifies maintaining a high moral standard as an important way to establish a good relationship between people. High moral harmony in oneself can lead to the harmony of the society (Ziniewicz, 1996). Confucian philosophy praises moral leaders or teachers. Typical examples can be found from the following Analects' (trans. Muller 2015) teachings:

Confucius said, "When you have gotten your own life straightened out, things will go well without your giving orders. But if your own life isn't straightened out, even if you give orders, no one will follow them." 子曰：「其身正，不令而行；其身不正，雖令不從。」
(Analects 13:6 論語子路, trans. Muller 2015)

Confucius also said, "The Superior Man is in harmony but does not follow the crowd. The inferior man follows the crowd, but is not in harmony." 子曰：「君子和而不同；小人同而不和。」 (Analects 13:23, 論語子路, trans. Muller 2015).

According to Confucianism, the practice of enhancing the moral standard should be in sequence. Firstly, cultivating one's personal life is essential. After

that step, one must cultivate family life. Lastly, one must cultivate the national life. (修身, 齊家, 治國, 平天下).

Social Harmony also applies to the Government and its people (Muller, 2015). Confucian philosophy strongly influences politics. Confucius suggested that “to rule is to correct 政者正也” (Analects, 12:17, trans. Muller 2015). The government should maintain harmony and abstain from violence and extremism. Taoism is a supplement to Confucianism. Tao means the path to righteousness. Confucianism emphasizes that human nature and rituals (Li, 禮) can help form people’s behaviour. Under the fundamental principle of politics from Confucian philosophy, harmony can lead society to be more affluent and satisfying.

Apart from Confucianism, both traditional Chinese legalists, Han Fei-tzu and Guanzi, prioritize harmony in governing the country.

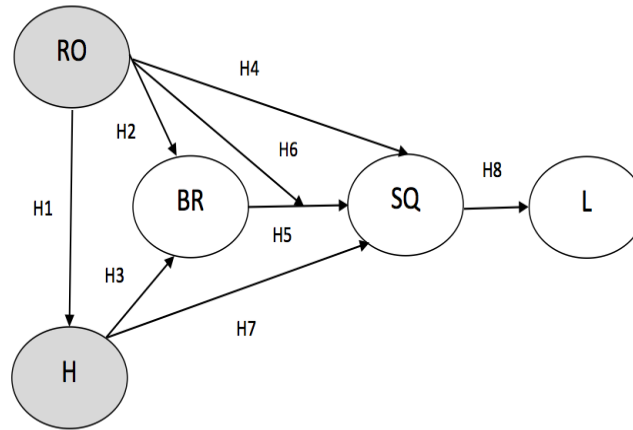
Be cautious of the yin and yang harmony before any undertaking 舉
事慎陰陽之和 (Han Fei Tzu 韓非子, 難二 第三十七);

Orders cannot be executed without harmony between superior and
subordinates 上下不和, 令乃不行’ (Guanzi 管子, 形勢 第二)

In sum, harmony comprises essential harmony elements that are quite different from the conflict management style of the Western culture. Maintaining social harmony can help achieve a better society in the traditional Chinese culture.

3.3.1 Relationship between Customer Ren Orientation and Harmony

Figure 3.5: Relationship between Customer Ren Orientation and Harmony



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.5 exemplifies the relationship between Customer Ren Orientation and Harmony. For example, the Value Ren of Customer Ren Orientation: Observation of Role Order can influence Harmony. Based on Confucianism, Ren is one of the key factors that contribute to the building of a harmonious society with Li (禮) and law. Confucianism advocates maintaining the role order of the members in the society. The Five Essential Cardinal Relationships is illustrative of such role orders, including the father-and-son relationship, the king-and-subordinate relationship, the couples' relationship, the siblings' relationship, and the friends' relationship. Everyone should play an appropriate role in Chinese society for everyone to live harmoniously (Legge, 1960).

In addition, the Value Ren of Customer Ren Orientation: Accommodating with Varied Opinion can also affect Harmony. Holding the Value Ren, which means people have internalized a strong self-control (Mischel and Ayduk, 2004; Mischel and Mischel, 1983), can help deal with different interactions between individuals because people are different by nature.

Whether good or bad, we have to tolerate people's different perceptions toward the importance of things. For instance, negative comments may include insults, hatred, jealousy, betrayal, defamation, and so on (Xi, 2009). As such, Ren can help us accept the gaps between people. In turn, the state of harmony can be achieved.

Further, the Instrumental Ren of Customer Ren Orientation: Preference for Status Quo can have an impact on Harmony. For example, Confucius teaches us to be patient with the undesirable situations when an action has to be taken. And in return, this will lead to Harmony. Mischel and Ayduk, (2004) indicate that delay of gratification leads to higher reward in the future. This is consistent with the teaching of Confucius as the higher reward may mean harmony in the Chinese context. A compromise with other beings and the natural environment is an important expression of the spirit of Daoism and Buddhism (Husted, 2012). In Daoism, disdaining personal desires can help individuals to attain transcendence (Section 2.4.2), which in turn creates a state of harmony in society. As suggested by Loazi, another virtue of Ren, in which a contented person is rich, can also achieve harmony (Section 2.4.2). Similarly, selflessness, suggested by Buddhism, is one of the virtues of Ren, which can lead to a harmonious society (Section 2.4.3). In addition, Lozano and Eserich (2016) suggest tolerance is practical instrumental tool to promote harmony.

In Western literature, Bannister and Kearns (2013) have established a conceptual framework to comprehend the positive impact of tolerance on the harmony of the urban city, showing that tolerance is one tool to help citizens overcome cultural differences in cities, which can lead to harmony of the society. In a similar vein, Ward and Liu (2012) discover that in their study of two ethnic groups, the Maori and the Pakeha in New Zealand, upholding tolerance among different ethno-cultural groups is significant to the harmony of a multicultural society. The concept of Ren is not exactly the same as the Western concept of tolerance. And there is little empirical study about the relationship between Ren and Harmony. However, in a qualitative research study held by Lam, Fielding, McDowell, Johnston, Chan, Leung and Lam

(2012), after interviewing 41 interviewees, it is found willingness to spare time to listen or communicate with family members is crucial to harmony of a family. As such, the hypothesis can be proposed:

***Hypothesis 1:** There is a positive relationship between Customer Ren Orientation and Harmony. That is, the higher the level of Ren, the higher the level of harmony between the customer and the company.*

3.4 Business Relationship

Gronroos (1994) defines business relationships as a two-way interchange and actualization of undertakings in the business context. Relationship marketing is defined as the collaborative endeavor to ascertain, establish, and maintain the linkage of customers and to reinforce the linkage incessantly for reciprocal benefits by adding values to the activities in the long term (Shani and Chalasani, 1992).

Relationship marketing has steered marketing strategies away from product orientation to customer relationship orientation, focusing more on the relationship with the customer (Palmer, 1996). In addition, relationship marketing places more emphasis on the retention of customers (Deighton, 1996; Lockard, 1998). Apart from establishing relationships with customers, relationship marketing extends the company's relationship to varied stakeholders, such as suppliers, employees, and shareholders (Jackson, 1985; Gronroos, 1996). In the service sector, maintaining a good relationship with customers may result in the improvement of the Return on Investment or financial benefits (Rao and Perry, 2002; Buttle, 2004). Moreover, marketing research find that if a business can retain its customers longer, it will generate more profit (Gupta and Lehmann, 2003). Taking a long-term view of customers is essential for the success of a business because customers can provide a lifetime value (Kutner and Cripps, 1997). Furthermore, by enhancing and retaining a relationship with customers, a competitive edge to the business can be gained (Buttle, 2004). Given that retaining an existing customer can be less costly than finding a new one, relationship marketing can increase the profitability of a business (Buttle, 2004). In this research, a

business relationship refers to the quality of relationship and its strength with customers.

Based on the philosophy of Confucianism, human beings are socially connected. Establishing a good relationship in business is an important social investment in the community (Yau et al., 2000). In the Chinese community, personal influence is sometimes even more vital than that of legislation. A good business relationship can even resolve red tape in senior management. The Chinese are good at using their personal relationships to ask influential people to act for them. The Chinese find that business relationships add value to the goods and services in any business transaction (Luk et al. 2008; Chow, 2004). The typical Chinese network of business and personal relationships, also called *guanxi*, can safeguard people's interests in the Chinese business context (Huang et al., 2010; Park and Luo, 2001; Lovett et al., 1999). In western literature, a good business relationship is a sustainable competitive edge for the company (Carlock and Ward, 2010; Phusit, 2002; Ganesan, 1994).

To establish comprehensive relationships with customers in the community, companies need to consider four important issues: Bonding, reciprocity, empathy, and trust (Yau, 2000; Luk et al., 2008). All the four components of Business Relationship are described as follows:

Bonding

Based on the findings of Callaghan et al. (1995) and Szmigin et al.(2005), seeking and emphasizing similarities between customers and suppliers and reducing doubt between two entities can enhance the bonding between them. Bonding can be separated into two types: blood relationship, e.g., family bonds, and social relationship, e.g., friends, colleagues, social, structural, and financial bonds. Relationship marketing brings about financial returns to business by enhancing the quality of customer relationship with both the salesperson and the selling company (Palmatier, Scheer, Houston, Evans and Gopalakrishna, 2007).

The blood relationship has the most secured bonds, compared with the social relationship. Through teamwork, combined efforts, or sharing, bonds between parties can be established (Alpander and Lee, 1995). One of the characteristics of bonding is its transferability. If the two parties are on good terms, such bonding can be expanded to their business companions or colleagues.

Reciprocity

Reciprocity can be explained as a business relationship of causal effects (Yang, 1973). Once a party has offered a favor to another party, the receiving party is morally obligated to repay the favor to save face. Otherwise, the receiving party is labeled as impolite, dishonest, and socially dishonorable. Compared with the Western and Chinese perspectives, the latter appears more of a long-term orientation (Yum, 1988). The activity of offering favors can lengthen the business relationship (Anderson et. al, 1994). People who have offered favors have the opportunity to gain favors in return from the receivers.

Trust

Relationship marketing results in the improvement of trust from customers by building quality relationship with customers (Woo and Ennew, 2004; De Wulf, Odekerken-Schröder, and Iacobucci, 2001). Moreover, a high level of trust between customers and companies can extend the business relationship in the long term (Pennington et al., 2003; Ganesan, 1994). Caceres and Paparoidamis (2007) suggest that trust is fostered in the long term and not in the short term. In the Chinese society, trust is a role responsibility, implying security without the expectation of rewards.

Different parties can be observed between business-to-customer trust and business-to-business trust (Zaheer, McEvily, and Perrone, 1998; Palmatier, Scheer, Houston, Evans and Gopalakrishna, 2007). The former describes the trust offered by the customer to the selling company, whereas the latter signifies the trust furnished by one company to another company. Both of these types of trust can be developed over time. In addition, trust allows both business parties, either business-to-business or business-to-customer, to share

useful resources and foster self-discipline.

In addition, two types of trusts are essential in the business relationship: trust based on affect and trust based on cognition (McAllister, 1995). Trust based on affect refers to the emotional relationship between two entities, providing the resources to care for other entities' benefits (Lewis and Weigert, 1985). Trust based on cognition relates to the rational assessment of the expertise, capability, and reliability of the other entity (Butler, 1991).

Apart from the role of trust in establishing a long-term trustful relationship (Pennington et al., 2003; Paparoidamis (2007), enhancing business-to-customer trust and business-to-business trust (Zaheer, McEvily, and Perrone, 1998), and building trust based on affect and trust based on cognition (McAllister, 1995), trust in the business relationship helps alleviate the dissonance and uncertainty of the customer (Kramer, 1999). It also fosters collaboration, commitment, and compliance in business transactions (Morgan and Hunt, 1994).

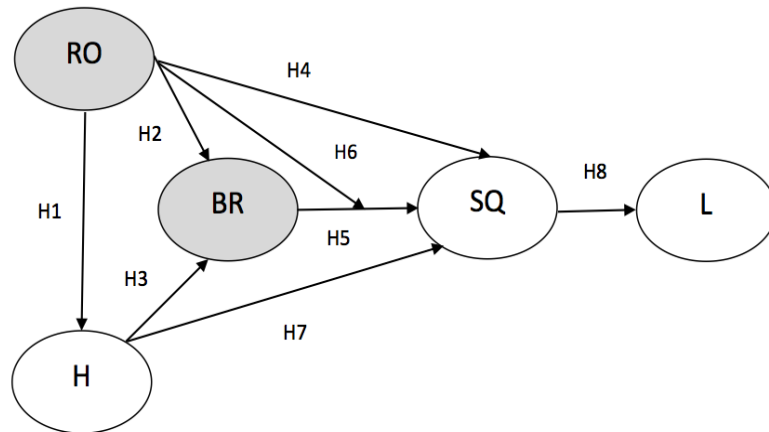
Empathy

In business, empathy allows both parties to share personal feelings and concern with each other (Wang, 2007). In the Chinese society, people sometimes expect that the other party would understand their difficulties without being explicitly told because of empathy (Sin, et. al, 2005). Genuine appreciation of the other party's needs and wants, strengths and weaknesses can be found based on empathy (Hwang, 1987).

After discussing the meaning and four important components of the business relationship, the relationship between the Customer Ren Orientation and business relationship are explained in the next section.

3.4.1 Relationship between Customer Ren Orientation and Business Relationship

Figure 3.6: Relationship between Customer Ren Orientation and Business Relationship



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.6 depicts the relationship between Customer Ren Orientation and Business Relationship. Ren is an effective way to maintain the social order and relationship of the society (Balliet, Li, Norman, and Joireman, 2011). Particularly, Ren is essential in maintaining interpersonal relationships in the Chinese society (Wong and Leung, 2001). Comparatively, Chinese society is more collectivistic, as opposed to the individualism found in Western society (Hofstede, 1980).

For example, the Value Ren of Customer Ren Orientation: Acceptance of Dissimilarity of Personality can also affect Business Relationship between the customer and the service provider. Customers having the Value Ren would help smooth the communication with the service provider, which will lead to better relationship in terms of building up the bonding, increasing empathy, facilitating reciprocity and enhancing the trust. Based on the teachings of Confucianism, benevolence, sacrifice, forgiveness, and compromise are traditional Chinese values that can promote a good relationship between partners or businesses. Typically, compromise refers to a state where both

business parties compromise a little to the other party to seek a win-win situation (Husted, 2012).

Similarly, Buddhism teaches people to suppress their desires and use the heart to understand the other party's needs (Murti, 2003).

In addition, the Instrumental Ren of Customer Ren Orientation: Moving Backward can affect the Business Relationship between the customer and the service provider. Decision making involves Instrumental Ren.

Before making any decision, customers might need to take more time to consider the issue in-depth. Having the propensity to prefer Status Quo, customers may relax before asking for the help of the service provider.

Moving Backward may refer to think aloud about the reaction of the service provider if the goal is not achieved initially such as looking for help from the right service provider when necessary. In terms of the mind-set of Moving Backward, being more emphatic can be the start of a good relationship between the customer and the service provider.

For the mind-set of Moving Forward, customers can engage in self-directed conversation in a hope that this will lead to long-term benefits such as relationship.

As discussed, Interdependence, which refers to working or living in society, should be like water. It means a person must adapt in different situations without creating any trouble. According to Tao Te Ching (Le Guin, 2009), people need to cooperate with others to achieve the synergistic effects of collaborative efforts in the business world. Therefore, Ren can enhance business relationships among people. According to Gao, Liu and Qian (2016), tolerating other people in the business relationship can enhance sales of the organisation.

Furthermore, the Value Ren of Customer Ren Orientation: Adherence to

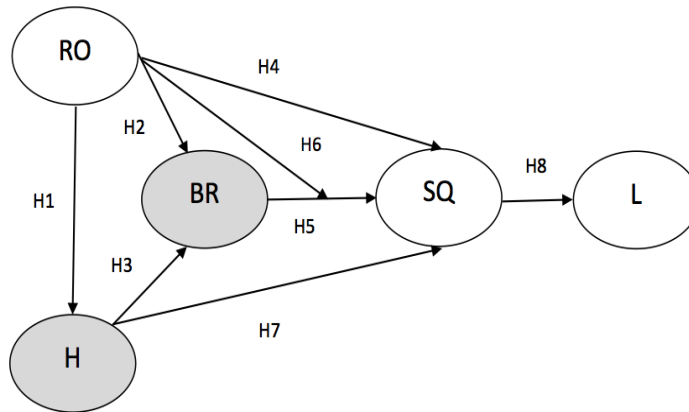
Rationality can affect the Business Relationship between the customer and the service provider. The key principle of building good business relationship is to control one's temper and desire and not to act in excess. Deshmukh and Mohan (2016) found that forbearance can enhance the business relationship between the service provider and the customer in the supply chain management. Further, mutual forbearance in the new business environment can also help develop positive business relationship (Domínguez, Garrido and Orcos, 2016; Beamish and Lupton, 2016). In similar fashion, Will (2011) found that mutual forbearance is significant in maintaining the business relationship multi-national corporations. I Ching (Huang, 2010) adds that people need to anticipate future changes and to act positively. In a qualitative research study, Humphries and Wilding (2004) found that tolerance among partners is significant to the establishment of long-term collaborative business relationships.

As such, the following hypothesis can be proposed:

***Hypothesis 2:** There is a positive relationship between Customer Ren Orientation and Business Relationship. That is, the higher the level of Ren, the better the business relationship between the customer and the company.*

3.4.2 Relationship between Harmony and Business Relationship

Figure 3.7: Relationship between Harmony and Business Relationship



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.7 illustrates the relationship between Harmony and Business Relationship. Many companies demand close business relationships. According to Kidwell, Kellermanns, and Eddleston (2012), and Jiménez, Martos and Jiménez (2015), family harmony customs and equality perceptions are adversely correlated to family obstacles. In other words, harmony can help remove the obstacle of a business (Chen, Ünal, Leung and Xin, 2016). Important research findings are related to the abovementioned situation. Harmony is an important factor in a functioning family (Chan et al., 2011). Confucianism states that harmony is a key to overcome conflicts in joint venture business, thereby leading to close business relationships among partners (Ding, 1995; O’Keefe and O’Keefe, 1997).

From the perspective of joint business ventures, harmony is positively correlated to the business relationship between companies (Chow, 2004). For example, some researchers found that in an international joint business venture, harmony is perceived as an essential factor in nourishing a business relationship between partners (Sulej, 1998; Anderson, 1990).

Harmony should be contemplated as a key influence of the long-term

relationship in the business sector (Wilson and Nielson, 2001). For instance, in the Chinese business, harmony is identified as a key element in maintaining a long-term relationship in business transactions (Stafford, 1994; Geringer, 1988). In a qualitative research, Das and Kumar (2009) have found that harmony can create a better business relationship with alliance partners in the long run. In addition, Zineldin, Fujimoto, Li, Kassean, Vasicheva and Yu (2015) found that harmony can affect the quality of business relationship of strategic alliances in different Asian countries such as China and Japan. In a similar vein, Chow (2004) has empirically confirmed that harmony between joint venture partners can lead to better cooperation and relationship between business partner companies. More importantly, maintaining harmony in the service encounter can enhance the long term relationship between the tourists and the service provider (So, Liu, Wang and Sparks, 2016). As such, the following hypothesis can be proposed:

***Hypothesis 3:** There is a positive relationship between Harmony and business relationship. That is, the higher the level of harmony, the higher the level of relationship between the customer and the company.*

3.5 Service Quality

In this section, the meaning of services and service quality will be discussed.

Most scholars regard services as activities and processes (Solomon et al., 1985; Lovelock, 2011; Zeithaml and Bitner, 2003). Services can be defined as “a process or performance rather than a thing” Lovelock (2011). Based on the goods-and-services dichotomy, services have four distinct characteristics: intangibility, heterogeneity, inseparability, and perishability (IHIP). These activities are separated into a category of their own, which may be described as a product in its own right, apart from the sole provision of manufactured goods. (Lovelock, 2011). One criticism is whether the service characteristics are distinctive to service or not (Edvardsson, Gustafsson and Roos, 2005). Another criticism is whether the current service characteristics are befitting to self-service technologies or internet services (Bowen et al., 2000; Brown, 2000).

Although the four characteristics of service, namely, intangibility, heterogeneity, inseparability, perishability (IHIP), have a constant relevance to services, many special cases lead to criticism (Moeller, 2010). One criticism is that the traditional view ascertains that ownership is not transferred from the seller to the purchaser. However, some scholars suggest that services can allow the transfer of ownership in the short term through usage charges or rental fees. The concept of borrowing resources from the service provider to the end user signifies the short-term transfer of ownership (Lovelock and Gummesson, 2004).

Service quality refers to the consumer's general image of the comparative superiority/inferiority of the business and its services (Bitner and Hubbert 1994). Moreover, a key distinction can be found between service quality and product quality. The former is intangible, whereas the latter is not (Zeithaml and Bitner, 2003). Given its intangible characteristic of service, marketers encounter difficulties in communicating the concept of service quality to the customer. As such, customers find that evaluating it is challenging.

Given that most retail stores provide a variety of goods and services (Dabholkar et al., 1996), the traditional marketing must provide quality service on top of the product quality to augment its service quality (Lovelock and Wirtz, (2004). High service quality leads to the improvement of profitability and brings forth a competitive edge for the retail store (Zeithaml and Bitner, 2003; Al-Tamini and Al-Amiri, 2003). In addition, high service quality meets or exceeds customer expectations (Sahney, Banwet and Karunes, 2004).

Ultimately, customers are the final reviewer of the quality of services, as well as products of the company (Ries and Trout, 2001). Through frequent communications and interactions with prospective customers, the service provider will comprehend more thoroughly or even manage the customer's expectations of the quality of the service and products (Van Der Wal, Pampallis and Bond, 2002; Segoro, W. (2013). Moreover, service providers

must use appropriate measures of service quality, such as determining the discrepancy between customers' perceived quality of service against their expected quality of the service (Long and McMellon, 2004).

Parasuraman et al. (1985) introduced the SERVQUAL model, which service providers have applied the model in an array of service scenarios. The model provides an analytical tool for assessing the service and the satisfaction of customers with that service by comparing a customer's expectations with his perceptions. The SERVQUAL model, which is structured face-to-face service measurement instrument, comprises five basic dimensions: reliability, assurance, tangibles, empathy, and responsiveness.

In the past three decades, serious arguments over the measures and dimensions of service quality and issues relate to industry-specific services, kinds of services, place of assessment, cultural impact, adjustments of the model, and so on (Bitner, 1995; Carman, 1990; Cronin and Taylor, 1992; Carman, 1990; Al-Tamini and Al-Amiri, 2003; Dabholkar et al., 1996; Kuo, Wu and Deng, 2009). Parasuraman et al. (1985) survey customers in different service industries, e.g., telephone companies, securities and brokerage companies, repair and maintenance companies, and banks. Over the years, the SERVQUAL model has been adopted to measure the service quality of a hospital (Carman, 1990), department stores (Dabholkar et al., 1996), a bank (Al-Tamini and Al-Amiri, 2003), and a fast food retail store (Cronin and Taylor, 1992). Both profit-making and non-profit businesses use the SERVQUAL model to assess their service quality (White and Abels, 1995).

The SERVQUAL model is a useful tool for the conceptualization, operationalization, and the practical application of service quality and has been well-documented in the literature (Nelson and Nelson, 1995; Yang and Peterson, 2004; Grönroos, 2001; Long and McMellon, 2004). The major issue of service is the value creation activity, which can increase the customers' purchase (Vargo and Lusch, 2008). Although focused around a service context, the SERVQUAL model is not universally applicable or sustainable due to some important debatable issues (Robinson, 1999). A call was made to modify the SERVQUAL model because of various reasons. These include different

researchers having different purposes for the tool (Cronin and Taylor, 1992), the dimensions of service quality varying from context to context (Grönroos, 1990), the role of expectations in service quality measurement being highly debatable (Carman, 1990), the importance of service quality measurement differing from researcher to researcher (Teas, 1993; Cronin and Taylor, 1992), and cultural discrepancy influencing universal assessment of service quality (Ellis et al., 2003). Consequently, the SERVQUAL-P model has become an improved service quality assessment instrument (Mittal and Lassar, 1996), which comprises four dimensions: reliability, personalization (replaces assurance and empathy), tangibles, and responsiveness. This new model will be used for this study. Some of the advantages of the new model are detailed as follows. The SERVQUAL-P model directly refers to customer attitude toward the performance of the service provider (Hernon and Altman, 1996); the SERVQUAL-P model does not need to assess essential weights of different attributes (Teas, 1993); for a person-processing service (e.g., bank service), the SERVQUAL-P model functions are superior to those of the SERVQUAL model (Mittal and Lassar, 1996); the SERVQUAL-P model is adjusted to assess the service quality of a person-processing service (Babakus and Boller, 1992); and the dimension of Personalization, which has a statistically significant effect ($p < .05$) for people processing service, is more exclusively attended to in the SERVQUAL-P model (Mittal and Lassar, 1996; Bougoure and Lee, 2009).

Given the keen competition in the service industry, service providers are compelled to evolve from the conventional customer satisfaction model to engaging strategies that can assist the service provider in gaining competitive advantages (Kandampully, 1998; Rao and Kelkar, 1997). Our key consideration is the meaning of service quality to the end-user of the service. Other scholars are more interested in investigating customers' perceived value (Blackwell et al., 2001).

Customer perceived value is an intricate perspective of customer value perceptions (Petrick, 2002; Rintamaki et al., 2006). According to Rintamaki et al. (2006), treating perceived value as an opportunity cost between price and

quality is inadequate when acquiring the competitive edge. Customer perceived value can be defined as the symbolic and functional value of consumption (Rintamaki et al., 2006; Sheth, 1983). The former value stems from intangible and subjective evaluation of products and services (Va'zquez et al., 2002). The latter value arises from an embracing and objective evaluation of the utility of ease of use, the value for money, and the unified value quality (Rintamaki et al., 2006; Rust et al., 2000).

Customer perceived value of products and services is a function of quality and price. However, the focal point of measurement may be more related to offering products rather than services. Thus, many scholars have been using SERVQUAL model or adjusted SERVQUAL model to measure the important dimensions of service quality.

Table 3.1: Service Quality Dimensions in Numerous Research Studies Based on SERVQUAL Model

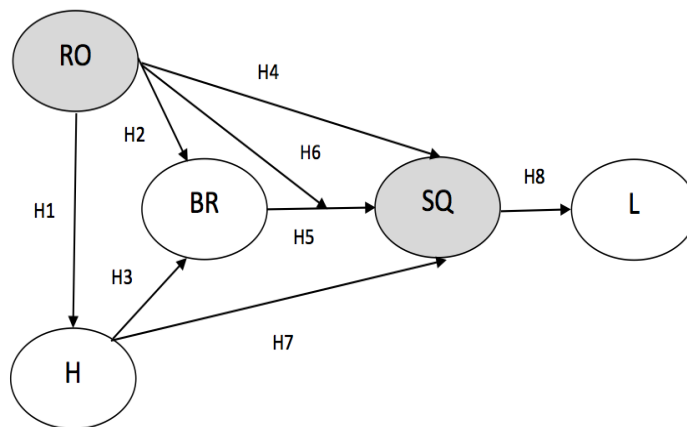
Dimensions	Howcroft (1993)	Vandamme and Leunis (1993)	Nelson and Nelson (1995)	Yang and Peterson (2004)	Long and McMellon (2004)	Bougoure and Lee (2009)
<i>Reliability</i>			√	√	√	√
<i>Assurance</i>		√	√		√	
<i>Tangibles</i>	√	√	√		√	√
<i>Empathy</i>			√			
<i>Responsiveness</i>		√	√	√	√	√
<i>Personalization</i>	√	√				√
<i>Method</i>	√					
<i>Surroundings</i>	√					
<i>Availability</i>			√			
<i>Security</i>				√		
<i>Professionalism</i>			√			
<i>Purchase Process</i>					√	

Each author mentioned in Table 3.1 provides their own characteristics in their own research study, reliability, responsiveness, and tangibles, which have been frequently quoted by most of the authors (Vandamme and Leunis, 1993; Nelson and Nelson, 1995; Yang and Peterson, 2004; Long and McMellon, 2004; Bougoure and Lee, 2009). In addition, most of the abovementioned

dimensions of service quality follow and are consistent with the SERVQUAL model created by Parasuraman et al. (1985). In this research, the SERVQUAL-P model will be adopted to measure the Customer Ren Orientation, which will be discussed in-depth in the next chapter.

3.5.1 Relationship between Customer Ren Orientation and Service Quality

Figure 3.8: Relationship between Customer Ren Orientation and Service Quality



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.8 depicts the Relationship between Customer Ren Orientation and Service Quality. In Daoism, people practise Ren with a purpose. Daoism's teachings are about not taking advantage of others. For example, through meditations, balanced diets, and physical exercise, people practicing Ren aim to pursue immortality (Hartz, 2009).

In Confucianism, every human being could become a superior person. In other words, Confucius wanted the individual to evolve both in self-discipline and in good behavior. In practice, Confucianism teaches us to make contributions. Otherwise, people should not gain any rewards (Tang, 2015).

The Instrumental Ren of Customer Ren Orientation such as Moving

Backward can affect the Service Quality. In Buddhism, people have the mission to pursue the betterment of society (Dubois, 2011). Ren has played a significant role in helping Chinese people cultivate a peaceful and progressive existence. In the business context, customers, having Instrumental Ren, tend to have the propensity not to act now but wait for the right moment to act later in order to gain something more important. Therefore, they will be more tolerant towards the staff during rush hours and in return, customers will have a lower expectation of the service quality, and will have a higher perceived service quality.

In Sun Tzu's military point of view, Sun Tzu teaches us to have a macro and thorough picture of the environment (Giles, 2002). Considerable courage is needed to practise Ren so that the business goal can be accomplished without an attack. Competitors can be outperformed without resorting to war (Ames, 1993). If people do not have the complete knowledge of the business situation, they must spend more time to comprehend and anticipate situations. According to Sun Tzu, if people are not ready, they must "hide under the ninth earth", which is an analogy indicating that one's adversary must not identify one's location (Feest, 1980). In a similar vein, the Instrumental Value of Customer Ren Orientation: Moving backward aims to achieve the final goal of moving forward. Again, Güth, Häger, Kirchkamp and Schwalbach (2016) suggested that mutual forbearance of international corporations, including competitors can help improve the service quality in the airline industry. According to Porter's five-force model, people must strengthen their merits and remove their weaknesses. Sun Tzu (Feest, 1980) suggests that people need to avoid the strength of the competitor and instead attack his or her weaknesses.

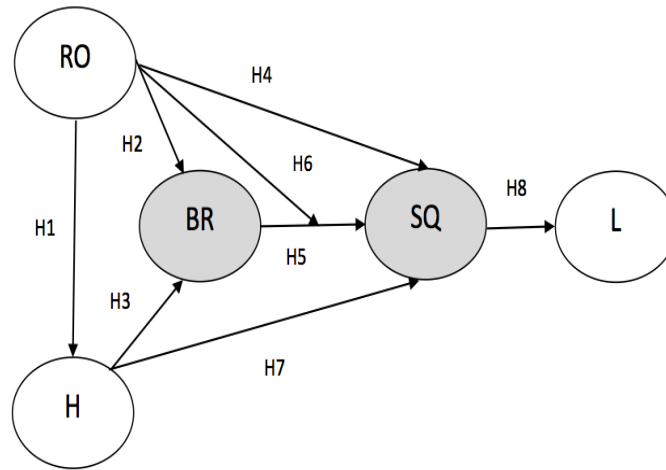
Based on the Value Ren of Customer Ren Orientation, customers holding this value may be more receptive towards staff regarding their varied personalities and attitudes. Therefore, customers have lower expectation of the service quality and in return, they will have higher perceived service quality provided by the service organization.

In a qualitative study, Prince and Simon (2009) have discovered that mutual tolerance between the service provider and customers will have positive impact on the service quality in the airline industry. Thus, the practice of Ren may provide better service quality to customers. As such, the following hypothesis can be proposed.

Hypothesis 4: *There is a positive relationship between Customer Ren Orientation and Service Quality. That is, the higher the level of Ren, the higher the level of service quality perceived by the customer.*

3.5.2 Relationship between Business Relationship and Service Quality

Figure 3.9: Relationship between Business Relationship and Service Quality



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.9 illustrates the Relationship between Business Relationship and Service Quality.

Based on the discussion in Section 3.4 Business Relationship, we will further explore the relationship between business relationship and service quality. A good customer relationship can be a critical success factor that affects the service quality of the service provider (Mak, Wong and Chang, 2011). In the following paragraphs, we will discuss the four key issues of a business relationship with service quality: bonding, reciprocity, trust, and empathy.

Bonding

Bonding between buyers and sellers will be strengthened as more weight is added on sameness; it also alleviates uncertainty between buyers and sellers (Szmigin et al., 2011). One of the key success factors of businesses is the quanxi between them. Quanxi is extremely essential to the success of global and emerging markets (So, 2002). The psychological relationships of individuals, groups, and organisations involve seeking mutual benefits and gains and, more importantly, removing uncertainty in service quality (Wilson, 1995).

Reciprocity

Reciprocity can be explained as a business relationship of causal effects (Yau and Lau, 1999). Reciprocity generated by the effective cooperation of partners are of great value to the business performance of the corporation (Ford, 1997; Rubin and Brown, 1975). The concept of reciprocity is important in doing business with customers in the international market; reciprocity provides a better business outcome (Samiee and Walters, 2003). In addition, the experience curve is a key success factor of the reciprocity; it can affect the performance of a business (Sim and Ali, 1988). In other words, customers who try to maintain a good relationship with the service provider may have the forethought to gain good service quality from the service provider.

Trust

Good relationship marketing results in the improvement of trust from customers by building quality relationship with customers (Woo and Ennew, 2004; De Wulf, Odekerken-Schröder, and Iacobucci, 2001). Relationships can be built on organizing activities in a way that can help team members to accomplish both extraordinary and mutual goals (Mesterton-Gibbons and Dugatkin, 1997). Businesses may significantly rely on the durable cooperation between two firms to influence their strategic positions (Acosta, 2015; Juárez Acosta, 2014; Lilja and Lindhe, 2003). Given the high trust level between two parties, whether with business-to-business or business-to-customer, the service provider could provide better service quality. In addition, a high trust level in a business relationship reduces the dissonance in post-purchase.

Empathy

In the business context, empathy allows both parties to share personal feelings and concern with each other (Wang, 2007). Service providers would try to care more about the emotional needs of customers. Therefore, if service providers are more empathic toward their customers, service quality can be raised to meet the needs of the customers (Sin et al. 2005). Based on the findings of different studies, a good marketing relationship is highly likely to enhance customers' satisfaction and the service quality provided by service

providers (Sin et al., 2005). Sin et al. (2002) have empirically examined the issue in a survey of business companies in Hong Kong and have found that there is a positive impact of business relationship between the business companies on service quality of the companies.

According to Navarro, Llinares and Garzon (2016), good business relationship can allow the customer and the service provider to co-create the service, and this would in return enhance the service quality of the service organization. Therefore, the following hypothesis can be proposed:

Hypothesis 5: *There is a positive relationship between Business Relationship and Service Quality. That is, the higher the level of business relationship, the higher the level of service quality perceived by the customer.*

3.5.3 Interaction of Ren and Business Relationship on Service Quality

Figure 3.10: Interaction of Ren and Business Relationship on Service Quality

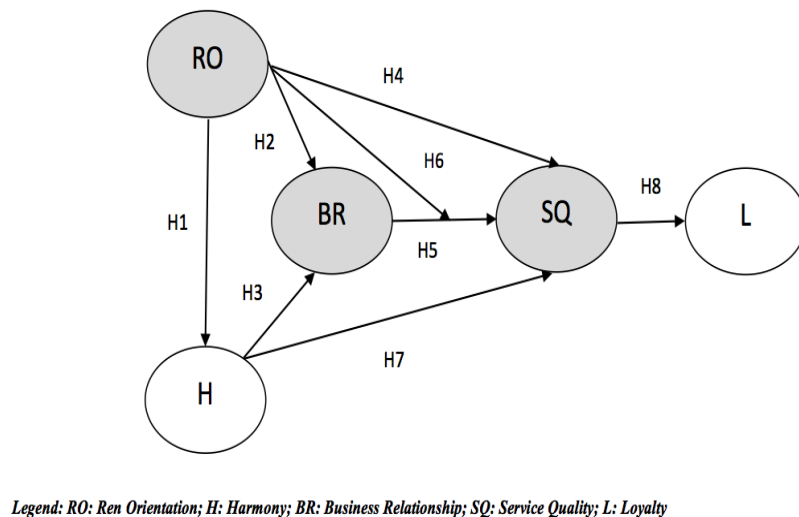


Figure 3.10 depicts the interaction of Ren and Business Relationship on Service Quality.

Customer Ren Orientation with Business Relationship is important in Service Quality. Hitherto, little research in this aspect has been conducted. However, H2, H4 and H5 have already indicated the relationship between Ren and Business Relationship, between Ren and Service Quality, and between Business Relationship and Service Quality respectively. Ren and Business Relationship are different concepts even if a correlation between the two can be observed.

Therefore, the existence of Ren might enhance the impact of Business Relationship on Service Quality. Ren and Business Relationship usually exist simultaneously with Service Quality. For example, if a company has already established a good Business Relationship with customers, it is more likely to provide better perceived services to customers with the practice of Ren. To quote an example. There is a loyal senior customer of a restaurant who has ordered a pot of soup from a staff. The customer informs the staff that the soup is not hot enough. As a result, the loyal customer receives a hot soup from the staff with apology and this is perceived as high service quality from the loyal customer. This is a typical example of the Instrumental Ren of Customer Ren Orientation: Moving Forward. Moving Forward provides an opportunity for the staff to enhance the Service Quality.

The Value Ren of Customer Ren Orientation: Acceptance of Dissimilarity in Personality can have a moderating effect on the relationship between Business Relationship and Service Quality. Under normal circumstances, the manager of the restaurant has already established long term relationship with the senior loyal customer and he understands the customer so well such as the hotness of the soup is a major concern of the senior customer and he should understand how the loyal customer practice Ren and serve the customer in a special way so that the customer enjoys the perceived service quality of soup.

Another case is the same customer complains about the soup is not hot enough. The response of the staff is to reheat the soup promptly for the customer. For the first time, the customer still find that it is not enough hot. The staff then bring out the mini gas stove to reheat the soup in front of the

customer until the soup is heated up to the satisfaction of the customer's requirement.

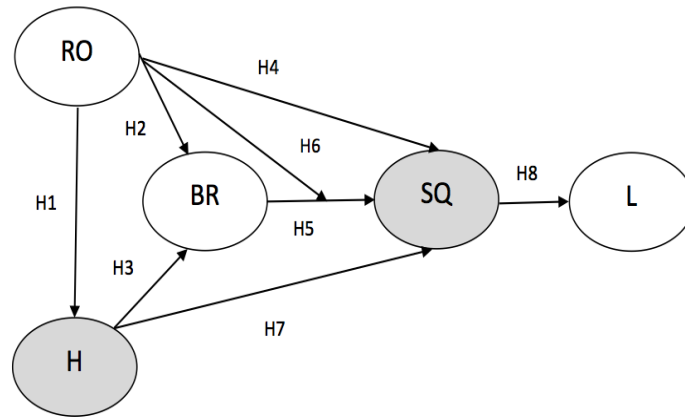
The understanding of the practice of customers' Ren by the staff of the service organisation actually has made a great difference in terms of quality of service delivered by the service provider. Given that Business Relationship affects Service Quality as indicated in Hypothesis 5, a customer with the practice of Customer Ren Orientation will enhance the Business Relationship with the restaurant (Deshmukh and Mohan, 2016; Domínguez, Garrido and Orcos, 2016; Beamish and Lupton, 2016) which in return might create higher perceived service quality by the customer.

As such, the following hypothesis can be proposed:

Hypothesis 6: *There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is, Customer Ren Orientation moderates the relationship between Business Relationship and Service Quality.*

3.5.4 Relationship between Harmony and Service Quality

Figure 3.11: Relationship between Harmony and Service Quality



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.11 illustrates the Relationship between Harmony and Service Quality. Harmony is highly correlated to the service quality of companies (Chow, 2004). In the Chinese culture, Chinese people have a high respect for harmony, which benefits the company (Antoniou and Whitman, 1998). When a foreign company wishes to do business with a Chinese company, maintaining a harmonious relationship with the latter should be advantageous to the former. In addition, soft elements, i.e. interpersonal skills and harmony, are needed in working with the customers. Hard elements, e.g., decoration, are important in the service setting (Sulej, 1998).

In the perspective of anthropology, service providers must render a harmonious environment to customers so that the quality of service can be enhanced (Pabóna, 2013).

...an anthropological focus as an explanation, because its operation is focused on the person and its relationship with other people while also taking into account the ethical aspect, that supports an optimal and complete development of the potential of human beings, different from what is usually done, which is to prioritize the results, social

recognition and accreditation processes based on tangible processes. Competition is taken as the central element instead of the values that have worth but do not have a price tag, and so are not quantifiable or measurable (Pabóna, 2013).

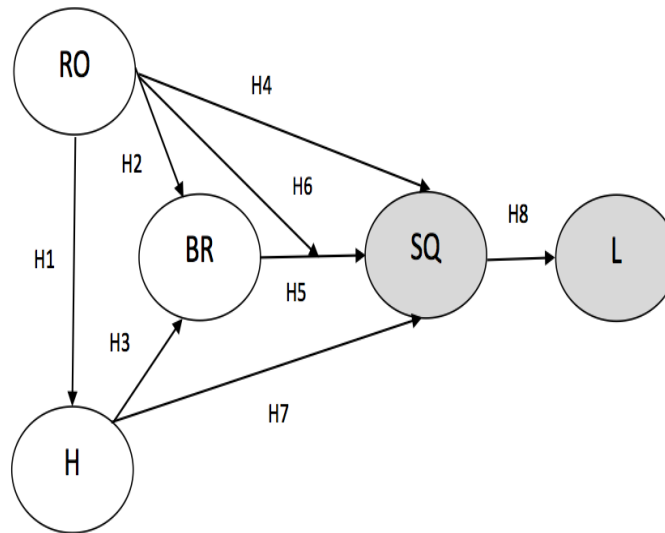
With respect to the benefits of harmony, evidence shows that harmony leads to good service quality of business. For example, harmony is an important element that provides a positive environment for ethical behavior (Kidwell, Kellermanns, and Eddleston, 2012; Palanivelrajan and Kannan, 2016). Harmonious relationships in the company are directly correlated to company performance (Eddleston and Kellermanns, 2007; Kidwell, et al., 2012). Harmony can lead the members of the company to act as stewards of the company so that the best interests, service quality, and successful business outcomes of the company can be achieved (Olson et al. 2003). Harmony can also lead to mutual trust commitment among the members of the company (Eddleston and Kellermanns, 2007) and their cooperation (Heck, 2004). It can also reduce conflicts among members at the end (Greenwood, 2003; Mensah, 2016). Thus, harmony positively correlates to companies' capability to achieve their business goals, including the service quality of the company (Alpay et al., 2008).

Based on the abovementioned supporting information, the following hypothesis can be proposed:

Hypothesis 7: *There is a positive relationship between Harmony and Service Quality. That is, the higher the level of harmony, the higher the level of service quality perceived by the customer.*

3.5.5 Relationship between Service Quality and Loyalty

Figure 3.12: Relationship between Service Quality and Loyalty



Legend: RO: Ren Orientation; H: Harmony; BR: Business Relationship; SQ: Service Quality; L: Loyalty

Figure 3.12 illustrates the Relationship between Service Quality and Loyalty. Consumer loyalty refers to the word-of-mouth advocacy to other people and an enhanced possibility of repurchasing the product or service of a company (Lee et al., 2001; Pearson, 1996). Satisfied customers are more likely to be loyal customers (Amirosadat, Esfahani, and Moshkforosh, 2013; Alrousan and Abuamoud, 2013; Srivastava and Alok, 2013; Heskett et al., 2004; Sirohi et al., 1998; Bloemer and De Ruyter, 1998). However, Reinartz and Kumar (2002) suggest that customers can be categorized into four types: true friends (profitable and loyal), barnacles (loyal but unprofitable), butterflies (profitable but disloyal), and strangers (disloyal and unprofitable). Some customers are satisfied with the service of the companies, i.e., butterflies. However, they may not be loyal to the companies in the long run. As such, companies must attain a better understanding of their customers (Reinartz and Kumar, 2003).

Although the argument that satisfied customers are more likely to be loyal customers has received criticism, many scholars find that satisfied customers will return to purchase from the same restaurant.

Customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty (Alrousan and Abuamoud, 2013).

The study establishes customer satisfaction as a mediator in a service quality - customer loyalty relationship in the context of the life insurance industry in India (Srivastava and Alok, 2013).

Four dimensions of e-service quality (Reliability, Responsiveness, Ease of Use, and Security) have strong relationship with customer loyalty which means that they have considerable impact on building and maintain the loyalty of online banking users (Amirosadat, Esfahani and Moshkforosh, 2013)

Employees' performance has an indirect effect on loyalty, mediated by customer satisfaction and customer value (Sulistyawati, 2006). In addition, participative customers are even more likely to repeat their purchase from the same company (Ennew and Binks, 1999). As a result, more revenues would be generated by loyal customers. In other words, higher customer satisfaction would be more likely linked to better business performance of the service organization (Söderlund and Ohman, 2005; Sulek and Hensley, 2004). Studies have found important factors that can affect the satisfaction of customers in the restaurant. Some of these factors include service quality, accessibility of the restaurant, prices of food, quality of food, physical evidence of the restaurant, staff's responsiveness, and wait time (Andaleeb and Conway, 2006; Iglesias and Yague, 2004).

Nonetheless, service companies that provide genuine, positive service succeed in distinguishing themselves, thereby securing a competitive advantage, along with other important benefits. Particularly, a high service quality can maintain

customer loyalty. Customers are satisfied with the services of companies that consistently meet their needs and desires. As such, service quality produces customer loyalty and ensures repeated patronage of company services (Wu, Hou, Fu and Chang, 2013; Kotler and Andreasen, 1996; Maclaran and McGowan, 1999).

According to Al-hawari (2015), Ismail, Zaki and Rose (2016), and Brady and Robertson (2001), effective management of Service Quality may involve approaches that service marketers utilise to ensure the integrity and excellence of their operations. These approaches automatically result in good rapport with customers. Such quality of service enables a company to retain and expand its existing customer base. Nonetheless, Sindwani and Goel (2016) pointed out that the Service Quality of automated banking services has significant impact on Loyalty. In addition, Beigi, Jorfi, Tajarrood and Beigi (2016) also found that the Service Quality of online banking has positive effect on Loyalty of customers. According to Beigi et al. (2016), 385 customers were chosen from the Agricultural Bank of Khuzestan Province (Iran) to participate in the research, and Structural Equation Modeling (SEM) was adopted. Importantly, in an empirical study conducted in the hotel industry by Palanivelrajan and Kannan (2016), it was discovered that the value added service quality particularly the core and special service quality had a significant impact on loyalty among customers. First, a pilot survey was conducted among 20 respondents at three centres such as Rameswaram, Madurai and Kanniyakumari. Secondly, the main survey included 239 successful respondents. In general, good service quality can bring service companies various benefits, such as generating positive word-of-mouth advertisement, preventing cutthroat pricing strategies, reducing costs, maintaining good performance, and keeping loyal customers. Service quality is an important component for the loyalty of customers (Cronin and Taylor, 1992). Therefore, the following hypothesis is proposed:

Hypothesis 8: *There is a positive relationship between service quality and loyalty. That is, the higher the level of perceived service quality, the higher the level of loyalty of the customer to the company.*

3.6 Chapter Summary

In this chapter, the development of a construct of Customer Ren Orientation is discussed in detail. Then, a conceptual framework linking Customer Ren Orientation with other constructs has been proposed, which explains the relationship among Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty. Each element in the model has been described. Six hypotheses have been developed. The structural relationships of all the variables in the model were discussed. The major contributions of the dissertation by the author include H1, H2, H4, H5 and H6 (see Figure 3.1 and Table 3.2).

Table 3.2: Hypotheses of the Study

Hypotheses		Contributions
H1	There is a positive relationship between Customer Ren Orientation and Harmony. That is, the higher the level of Ren, the higher the level of harmony between the customer and the company.	Mine
H2	There is a positive relationship between Customer Ren Orientation and Business Relationship. That is, the higher the level of Ren, the better the business relationship between the customer and the company.	Mine
H3	There is a positive relationship between Harmony and Business Relationship. That is, the higher the level of harmony, the better the business relationship between the customer and the company.	Re-confirmation
H4	There is a positive relationship between Customer Ren Orientation and Service Quality. That is, the higher the level of Ren, the higher the level of service quality perceived by the customer.	Mine
H5	There is a positive relationship between Business Relationship and Service Quality. That is, the better the business relationship, the higher the level of service quality perceived by the customer.	Mine
H6	There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is, Customer Ren Orientation moderates the relationship between Business Relationship and Service Quality.	Mine
H7	There is a positive relationship between Harmony and Service Quality. That is, the higher the level of harmony, the higher the level of service quality perceived by the customer.	Mine
H8	There is a positive relationship between Service Quality and Loyalty. That is, the higher the level of perceived service quality, the higher the level of loyalty of the customer to the company.	Re-confirmation

The research design, the data analysis, and the results will be explored in the succeeding chapters. Details of the research design and research methodology will be presented in the next chapter.

Chapter 4 Research Design and Methodology

The last chapter proposed a theoretical model of Customer Ren Orientation. This chapter explores the operationalisation of the concepts of Ren and the planning and implementation of the strategy adopted to gather empirical data to examine the structural model, that is, the Conceptual Model of Customer Ren Orientation. This model consists of five constructs. The independent variable is Customer Ren Orientation, and four dependent variables are used. In other words, Customer Ren Orientation has a direct effect on Harmony, Business Relationship and Service Quality. Furthermore, Customer Ren Orientation and Harmony have an interaction effect on Business Relationship. Business Relationship has a direct effect on Service Quality, which in turn has a direct effect on Loyalty.

In addition, the setting of this study is the business-to-customer context. This study places emphasis on the ways how customers evaluate their Ren Orientation and Harmony as well as their perceived relationship with, and loyalty to, the service provider. In this study, Business Relationship refers to the relationship with the service provider as perceived by the customer. Service quality refers to as the quality perceived by customers. As a result, the unit of analysis is customer, and the focus group and survey were conducted from customers.

Based on the extensive literature review in Chapters Two and Three, the Conceptual Model of Customer Ren Orientation and the eight hypotheses are presented as follows.

The hypotheses of the research study are stated as follows:

Hypothesis 1: There is a positive relationship between Customer Ren Orientation and Harmony. That is, the higher the level of Ren, the higher the level of harmony between the customer and the company.

Hypothesis 2: There is a positive relationship between Customer Ren

Orientation and Business Relationship. That is, the higher the level of Ren, the better the business relationship between the customer and the company.

Hypothesis 3: There is a positive relationship between Harmony Orientation and Business Relationship. That is, the higher the level of harmony, the better the business relationship between the customer and the company.

Hypothesis 4: There is a positive relationship between Customer Ren Orientation and Service Quality. That is, the higher the level of Ren, the higher the level of service quality perceived by the customer.

Hypothesis 5: There is a positive relationship between Business Relationship and Service Quality. That is, the better the business relationship, the higher the level of service quality perceived by the customer.

Hypothesis 6: There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is the relationship between Business Relationship and Service Quality is moderated by Customer Ren Orientation.

Hypothesis 7: There is a positive relationship between Harmony and Service Quality. That is, the higher the level of harmony, the higher the level of service quality perceived by the customer.

Hypothesis 8: There is a positive relationship between service quality and loyalty. That is, the higher the level of perceived service quality, the higher the level of loyalty of the customer to the company.

In this chapter, firstly, the research design is concisely described. Secondly, different measurement techniques such qualitative and quantitative research methods are discussed. For qualitative research methods, focus group and expert opinions are discussed; whereas, for the quantitative research methods, the quasi-experimental design, the questionnaire design and the structure of questionnaire are discussed. Then, sampling and the steps adopted to gather

data are discussed. Lastly, different statistical methods are presented. (see Figure 4.1).

4.1 Research Design

Churchill and Iacobucci (2010) indicate that a research design is the plan or structure of a research study that is adopted as a roadmap in gathering and analysing data. In addition, the research needs to ensure that the collected data and information should be related to the objective of the study and be based on cost-effective, scientific and objective methods (Sekaran, 2002; Cooper and Schindler, 2011; Chisnall, 2001). According to Churchill and Iacobucci (2010), and Zikmund (1997), the data gathering techniques must be objective and scientifically rigorous. One of the goals of this academic research is to construct a scale of the concepts of Ren. Thus, operationalising the concepts of Ren, which are not yet known to the contemporary literature, is necessary. Operationalising refers to the development of an inventory of items that are either reflective or formative in nature to represent a construct or concept. In this study, reflective items were mainly generated from two sources: one from the literature review and the other from the focus group discussions, which are discussed in Section 4.2 on qualitative research.

A two-stage research design was adopted to gather relevant data: the qualitative research and the quantitative research. Sections 4.2 and 4.3 discuss the two-stage research design (see Figure 4.1).

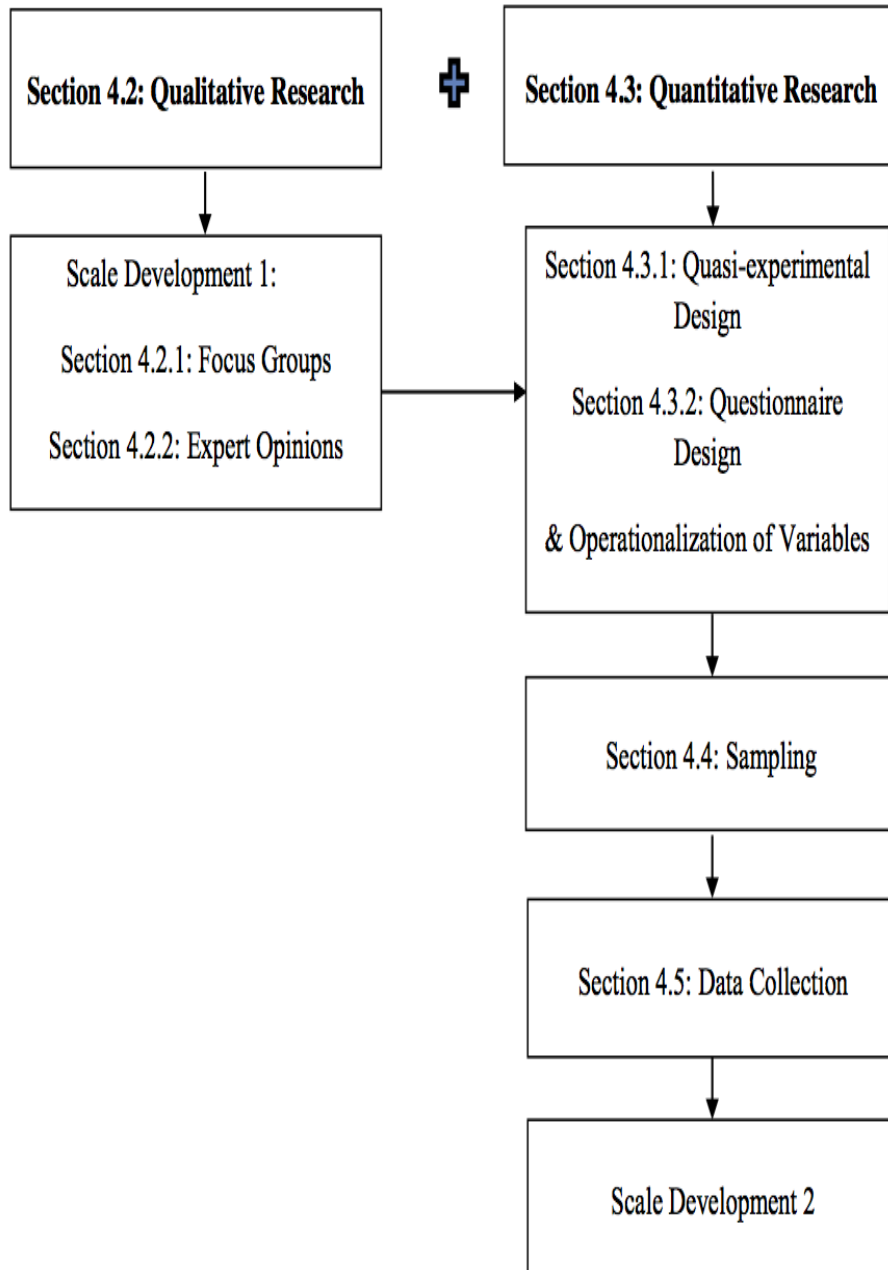
In the first stage, qualitative research basically includes focus group discussions and expert opinions. Focus groups can be used for various purposes. Some authors use them to develop grounded theories (Glaser and Strass, 2006). The model of this study was developed by using literature review and the results of the focus group. The purpose of expert opinions was to assess the scale items that were developed in the literature review and focus group discussions. The details of the qualitative research are discussed in Section 4.2 (see Figure 4.1). Figure 4.1 was adapted from Churchill (1979), Yau (1994) and DeVellis (2003).

In the second stage, quantitative research included the following activities: quasi-experimental design, questionnaire design, operationalization of variables, sampling, data collection and scale development (see Figure 4.1). As indicated in Figure 4.1, the results of scale development 1: focus groups and expert opinions assisted the way that the constructs in the model were operationalised. In addition, under quantitative research, the scale development 2 could be further depicted in Figure 4.2, which was an adapted model for developing measures of Ren (Churchill, 1979, Yau, 1994 and DeVellis, 2003).

In Figure 4.2, a specific model for developing measures of Ren adapted from Churchill (1979), Yau (1994) and DeVellis (2003) was used. Firstly, in the literature review, seven dimensions of Ren were identified. Secondly, an inventory of items of Ren was developed through literature review, which was merged with focus group results and experts. The face validity of the scale was evaluated. Thirdly, data were collected by quasi-experimental design. Fourthly, measures of Ren were purified through exploratory factor analysis and Cronbach's alpha. Fifthly, reliability was assessed through split-half reliability and Cronbach's alpha. Lastly, various forms of validity for the scale of Ren were assessed: construct validity (EFA and CFA), criterion validity, discriminant validity and convergent validity. In Section 4.3.2.2 Operationalisation of Variables, the suggested procedures for developing better measures for the study can be found.

Details of qualitative research and quantitative research are discussed in Sections 4.2 and 4.3, respectively.

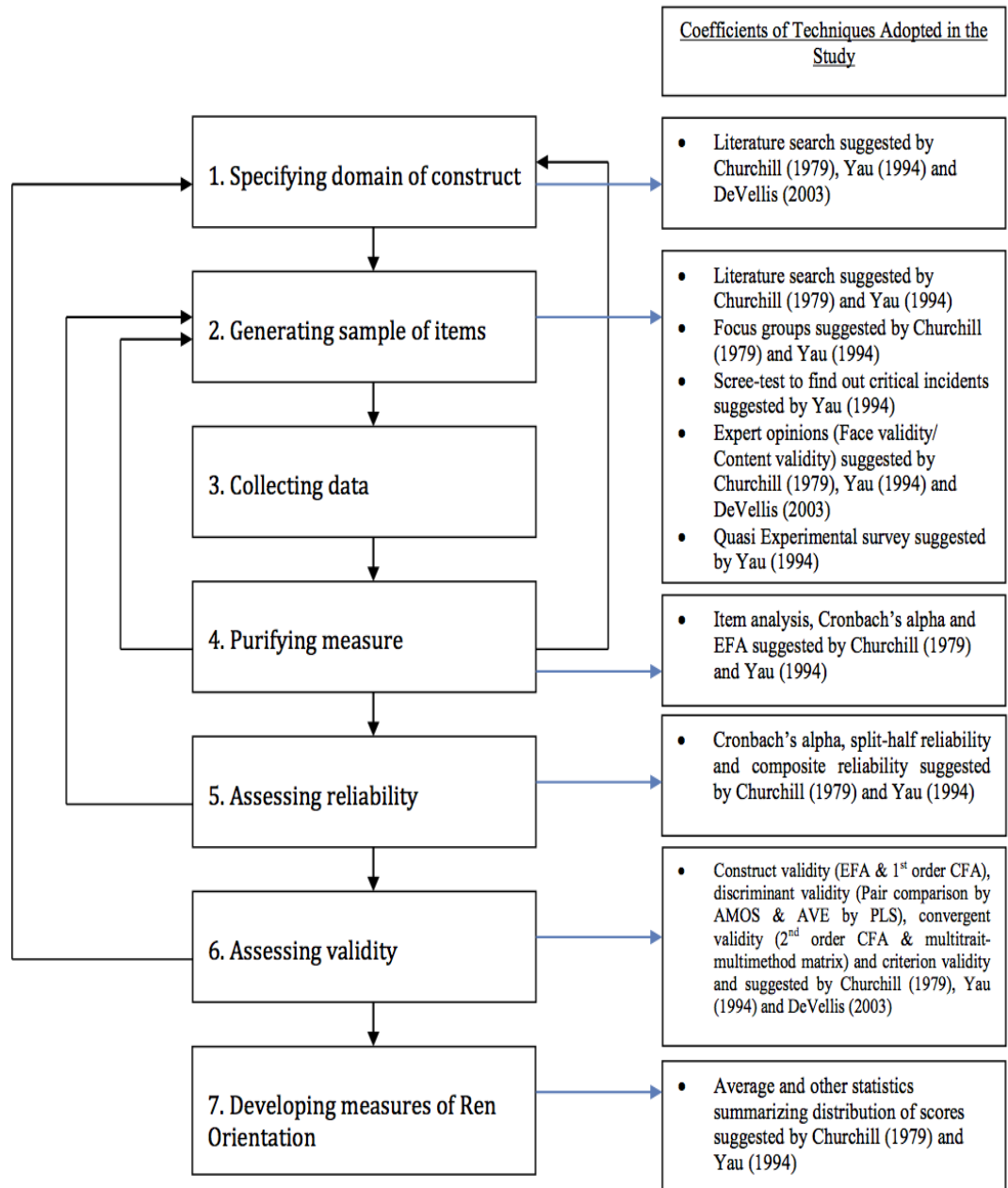
Figure 4.1: General Methodologies of Research Adopted in this Study



Adapted from Churchill (1979), Yau (1994) and DeVellis (2003)

4.2 Qualitative Research

Figure 4.2: Specific Procedures for Developing Measures of Customer Ren Orientation in this Study



Adapted from Churchill (1979), Yau (1994) and DeVellis (2003)

Qualitative research refers to discovering new insights and acquiring new knowledge (Burns and Bush, 2010; Chisnall, 2001). Various qualitative research methods exist such as focus groups, expert opinions, in-depth interviews, case studies and observations.

In the literature review, seven key dimensions were identified. The measurement of the seven dimensions remains to be known. In addition, the literature review had the indications of items, but this feature was still insufficient as a measurement, which should be reflected in the daily life scenarios. Therefore, opinions of members of the society or consumers should be reflected in the measurement of the constructs (Malhotra, 2012).

Focus groups and expert opinions are the most appropriate for the process of developing the measurement approach. In-depth interviews are more related to managers' interviews and case study is more related to an individual case (Malhotra, 2012; Burns and Bush, 2010; Bader, Rossi and Hart, 2002). In-depth interview, case study and observation were not used in this study. Focus groups are better as it is more efficient to collect data from respondents but also get interactions from them (Malhotra, 2012).

Focus groups can be used for different purposes. Some authors use them to develop grounded theories (Glaser and Strass, 2006). As the model of this study was developed through literature review, **the focus group adopted in this study was only used for the scale development of Customer Ren Orientation.**

The purpose of expert opinions was to assess the scale items that were developed in the literature review and focus group discussions. Therefore, in the first stage of the research design, focus group and judgment from experts were used.

The details of focus groups and the expert opinions are discussed in the succeeding sections.

4.2.1 Focus Group

Focus groups refer to small groups of selected participants who are led by a facilitator through unstructured and natural discussions for detailed opinions and knowledge pertaining to the problem of the study (Burns and Bush, 2010). If the focus group is successfully facilitated, then it can gather significant valuable information from all the participants in the group discussion. In addition, stimulated by the group atmosphere or other group members' active participation, individual participants may remember their shopping experience and easily share it with others in a group (Hair et al., 2013). Given the mentioned merit, **the focus group method in this research was only used to develop the scale for Customer Ren Orientation.** The characteristics of participants and the facilitation of focus groups are discussed in the following two subsections.

4.2.1.1 Participants

Altogether, four focus groups were used, and the age range of the participants was from 18 years to 60 years. About six to ten participants with dining experience in Cha Chann Teng (CCT) were invited to join a focus group. The above group size was appropriate for and conducive to a spontaneous and consistent dialogue (Malhotra, 2012; Fern, 1982). As explained in the last section, CCT was chosen because it was very popular in the Hong Kong culture, and most of the customers in CCT speak Cantonese; therefore, any cultural gaps or misunderstandings could be minimised. According to Cavana (2001), this size was suitable and could be beneficial to a fruitful discussion. According to Malhotra (2012), females and males might have different perception of life; therefore, dividing them into separate groups was appropriate so that more fruitful discussions could be generated, and in turn more ideas could be sought. One of the characteristics was that all participants should be homogeneous within the same group and heterogeneous between groups (Nelson and Frontczak, 1988). For example, researchers arranged the young and the elderly and males and females to different groups. According to Nelson and Frontczak (1988), this method reduced the probability that participants of different demographic backgrounds argue over small issues.

Volunteers were mainly recruited by referral. This method eliminated the possibilities of argument about insignificant issues because of the discrepancy of the diverse demographic profiles of participants such as females and males (Malhotra, 2012). In this study, participants were referred by personal networks and were non-paid. All participants have the experience of dining out in their daily life in Hong Kong. On average, eight respondents were assigned in each of the four focus groups. Each group contained members who were homogenous so that the interaction amongst members and the effectiveness and atmosphere of the discussions were enhanced (Malhotra, 2012).

Table 4.1: Focus Group Participants' Demographics

Group Number	Group size	Gender	Age Group
1	7	Female	18-35
2	6	Male	18-35
3	9	Male	36-60
4	9	Female	36-60

4.2.1.2 Facilitation

All the four focus groups in the research study were facilitated by the author himself so that the impartiality and consistency of the results were ensured. The incident-based method is a common research technique used to explore the level of satisfaction and dissatisfaction in the business research study (Cavana et. all, 2001). Cavana et. al (2001) explain that a critical incident approach refers to the situation that participants are invited to share a highly pleasurable and a highly unhappy experience with other participants. In this research, a critical incident approach was adopted where participants were encouraged to recall a highly pleasurable and a highly unhappy eating experience and share with the other participants the specific elements that influenced their evaluation of the meal and therefore, the discussion of the focus groups focused on what aspects of food, service, atmosphere created a positive experience and what created a negative experience for customers of a CCT. According to Havlena and Holbrook (1986), the expression of the respondents' views and feelings on a particular purchase experience is both practical and effective. Facilitators may use the words '*well done*', '*good on*

you' or 'fantastic' to motivate participants to express their views more actively. Usually, each group discussion takes at least two hours to complete. A comfortable environment was provided for the participants to have eye contact with other participants and the facilitator as well so that a direct discussion were ensured (Stewart and Shamdasani, 2014; Ritchie, Lewis, Nicholls and Ormston, 2013). In the November and December in 2014, four focus groups were held by the researcher, and the venue of the four focus groups were conducted in the classroom of a private institution where comfortable environment was provided to allow the respondents to voice their opinions freely. The full process and questions adopted in the focus group can be found in Appendix 4.1.

4.2.1.3 Steps for Content Analysis in the Focus Group

After the focus group discussions were conducted, all the dialogues were transcribed. Content analysis was conducted, and some key steps of conducting the content analysis are listed below.

- Firstly, factors that influenced experiences were identified and then examined which ones mapped to dimensions of Customer Ren Orientation.
- Secondly, the dialogues were checked on whether they match the dimensions of Customer Ren Orientation.
- Thirdly, the items were coded and classified into types of statements.
- Fourthly, according to the literature review, for each dimension, various items existed.
- Fifthly, if some of the items were rarely mentioned in the focus group discussions, then they were discarded.

Scree Tests were used to screen down factors to manageable categories. Cattell (1966) described Scree Test as 'a brief, easily applicable test for determining the number of factors to extract in factor analytic'. A Scree Test refers to a line segment that can help identify the importance of various items or factors. A sudden drop in the line segment indicates that the items or factors may be unimportant and can be deleted (Cattell, 1966).

As mentioned in Table 4.2, 15 participants mentioned item 1: ‘I can bear other people’s attitude’; 12 mentioned item 2: ‘I work with other people who have different personalities’; 8 mentioned item 3: ‘I can bear other people’s stubbornness’; 5 mentioned item 4: ‘I can bear colleagues’ selfish personality’; and so on.

As a result, a bar chart with frequency counts for the seven items is shown in Figure 4.1. In Figure 4.3, the frequency dropped suddenly in two occasions. However, the second drop is more obvious than the first drop. Therefore, the first seven items were chosen. Following the Scree Test, only seven items were selected and included in the first dimension of the scale for Customer Ren Orientation. All the items generated from the focus group discussions were checked with the literature in Chapter 2. Along the same lines, other items generated for other dimensions were conducted in a similar manner. The items of each dimension with their respective bar charts can be found in Tables 4.2.1 to 4.2.7 and Figures 4.3 to 4.9 respectively.

In Table 4.2, there were 55 responses and 10 items were mapped to the first dimension of Customer Ren Orientation: Acceptance of Dissimilarity in Personality. Let us consider one of the items. For example, in Item 6: I can bear family members’ selfishness. Four respondents mentioned about examples such as switching light on at night, using toilet for long time, not tidying up the bed before leaving home to work, not helping the family to throw away rubbish. Then, the examples were grouped into Item 6.

In Table 4.3, 17 responses were collected and 5 items were mapped to the second dimension of Customer Ren Orientation: Accommodating with Varied Opinion. Table 4.4 showed that 28 responses were gathered and 7 items were mapped to the third dimension of Customer Ren Orientation: Observation of Role Model. In addition, Table 4.5 showed that 21 responses were collected and 5 items were mapped to the fourth dimension of Customer Ren Orientation: Adherence to Rationality. In Table 4.6, 14 responses were found and 6 items were mapped to the fifth dimension of Customer Ren Orientation: Preference of Status Quo. Table 4.7 also showed that 60

responses were collected and 10 items were mapped to the sixth dimension of of Customer Ren Orientation: Moving Forward. Lastly, in Table 4.8, 46 responses were found and 10 items were mapped to the seventh item of of Customer Ren Orientation: Moving Backward.

Table 4.2: Name of Items and Frequency Counts for Acceptance of Dissimilarity in Personality

Item No.	Name of Item	Frequency
1	I can work with other people who have different personalities.	15
2	I can bear other people's extreme personalities.	12
3	I can bear other people's stubbornness.	8
4	I can bear colleagues' selfishness.	5
5	I can bear friends' selfishness.	4
6	I can bear family members' selfishness.	4
7	At work, I can sacrifice myself.	4
8	I can bear other people's negative emotion.	1
9	I cannot bear other people's extreme desire.	1
10	I cannot bear people intruding my life.	1

Figure 4.3: Scree Test for Acceptance of Dissimilarity in Personality

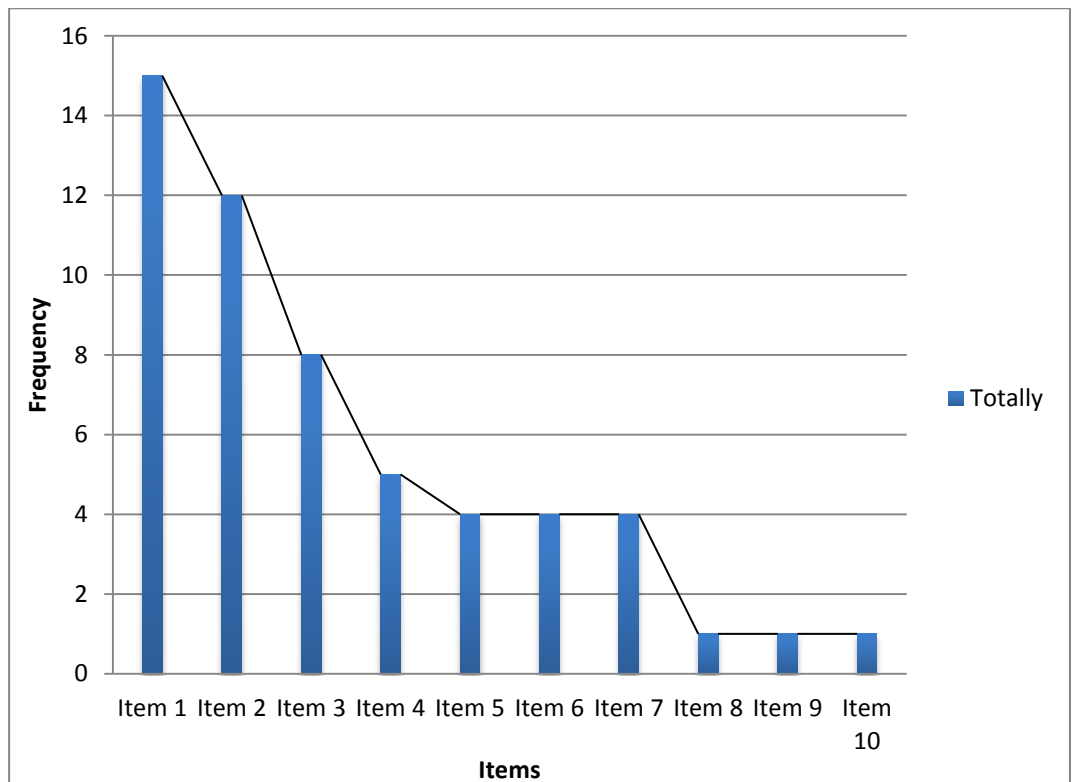


Table 4.3 Accommodating with Varied Opinion

Item No.	Name of Item	Frequency
1	I can tolerate that other people have different opinions.	6
2	I can tolerate other people's complaints.	4
3	I can tolerate that people hold opposite opinions.	3
4	I can listen to other people's extreme ideas.	3
5	I can bear other people object my opinions.	1

Figure 4.4: Scree Test for Accommodating with Varied Opinion

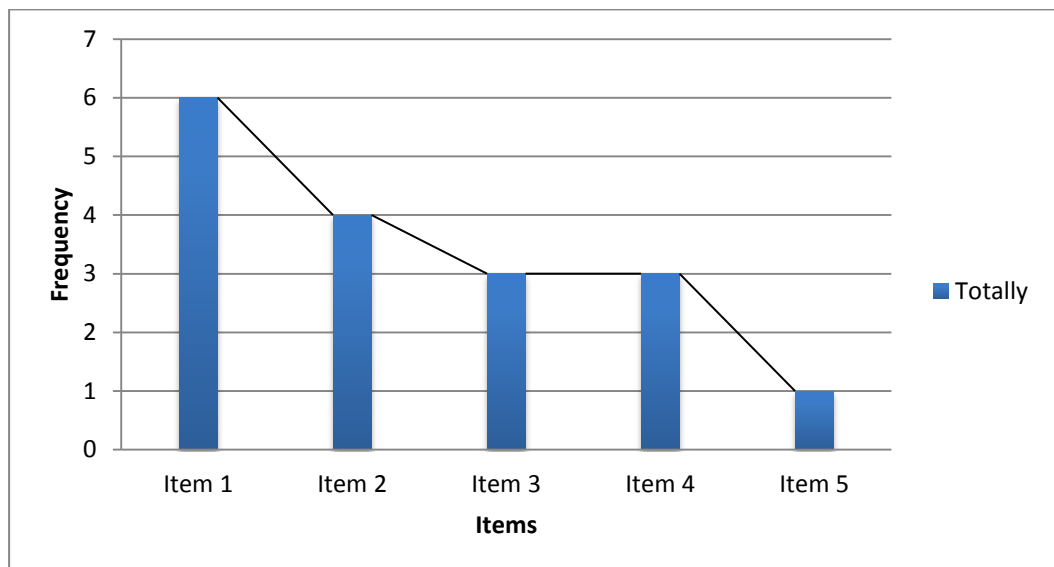


Table 4.4: Observation of Role Order

Item No.	Name of Item	Frequency
1	I can bear the hierarchy between the father and the son.	9
2	I accept the trust and loyalty between friends.	6
3	I can bear the hierarchy between the elder and the younger of the family.	5
4	I can bear the hierarchy between the supervisor and the subordinate.	4
5	I can bear someone that I am familiar with.	3
6	I can bear due to the relationship of couple.	1
7	I can stand someone that I care about	1

Figure 4.5 Scree Test for Observation of Role Order

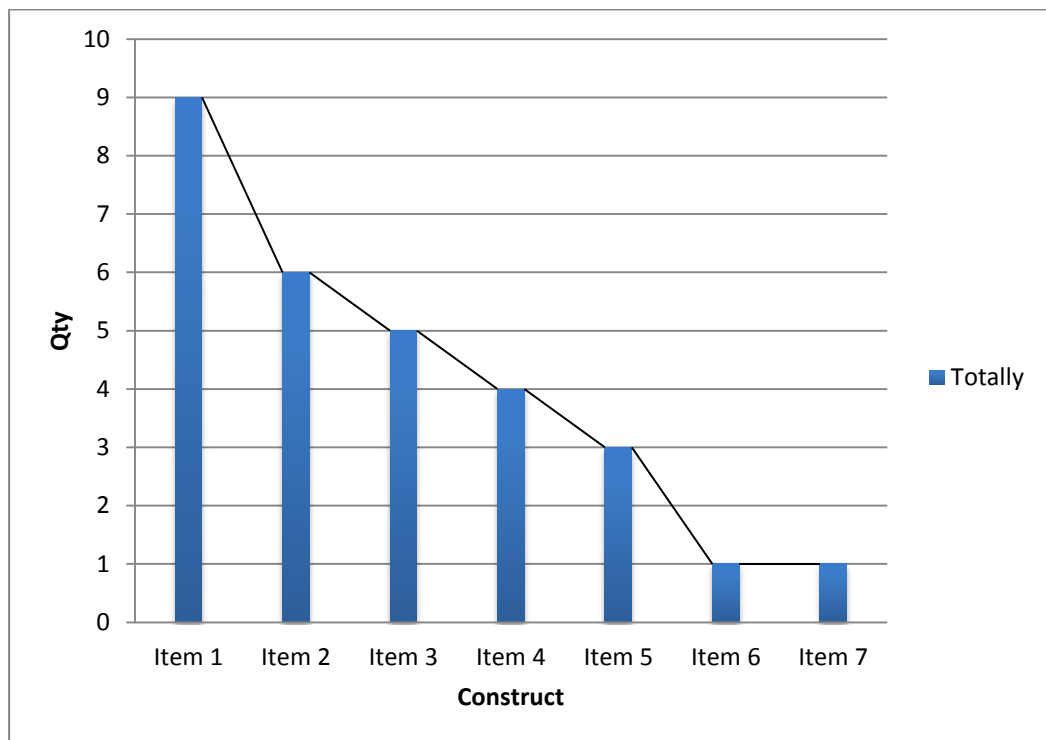


Table 4.5: Adherence to Rationality

Item No.	Name of Item	Frequency
1	I expect people can act fairly at work.	7
2	I try not to be too subjective at work.	5
3	I expect people can act reasonably at work.	3
4	I can be very calm and control my temper at work.	2
5	I can stand as it is balance point.	1

Figure 4.6: Scree Test for Adherence to Rationality

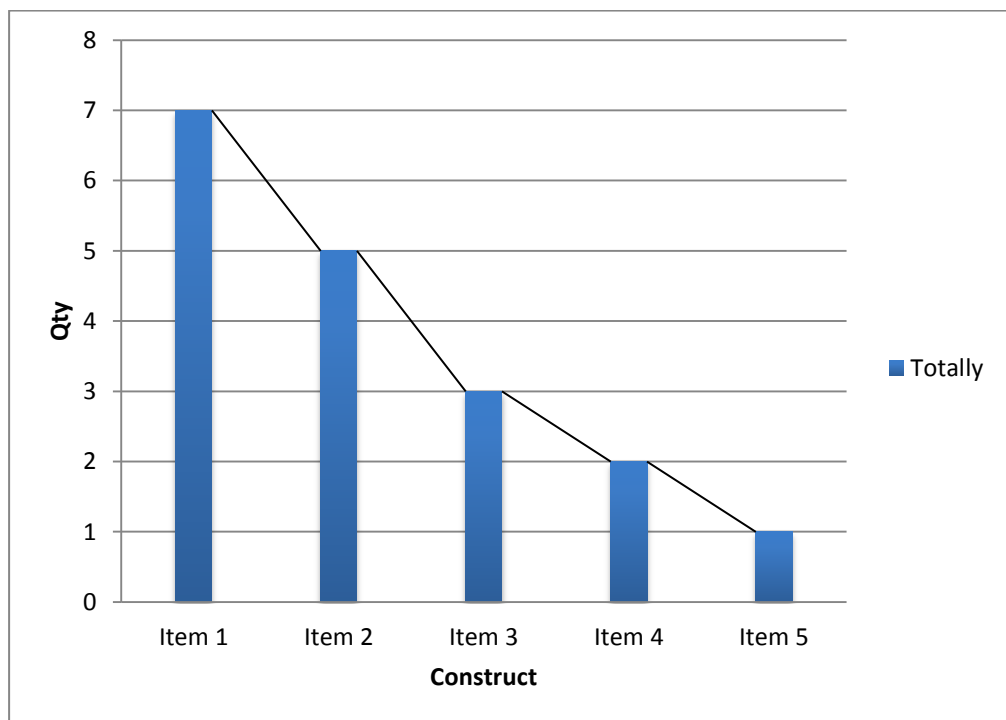


Table 4.6: Preference for Status Quo

Item No.	Name of Item	Frequency
1	Before I act, I try to understand myself and other people and won't take reckless actions.	4
2	When I act, I always be well-prepared and won't take reckless actions.	4
3	I can remain as it is as Ren is a habit.	4
4	When facing difficulties, I think twice before I leap so as to anticipate various changes.	3
5	When facing difficulties, I won't take reckless action so as to reserve my strength.	3
6	I can stand though Ren is painful	1

Figure 4.7: Scree Test for Preference for Status Quo

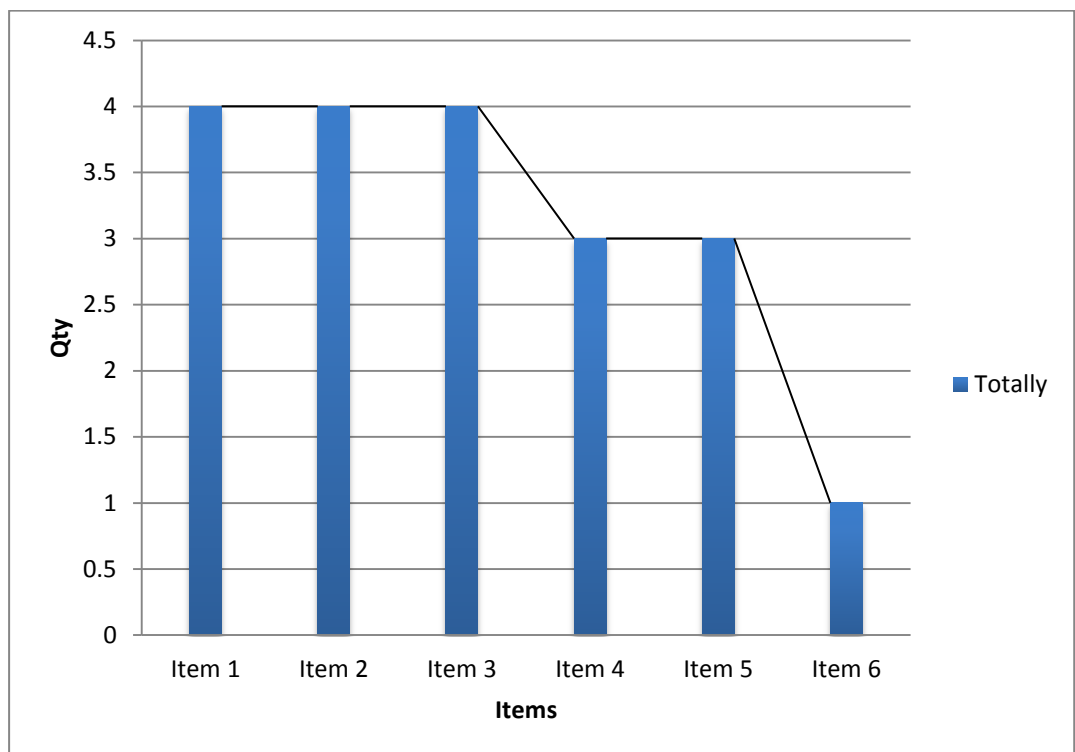


Table 4.7: Moving Forward

Item No.	Name of Item	Frequency
1	If something is correct to do, I will have the courage go against the tide of a million people.	14
2	I can tolerate pain and still proceed forward.	12
3	At work, I have the courage to go ahead without hesitation as I am positive that I will succeed.	10
4	At work, I have the courage to go ahead without hesitation as I believe every cloud has a silver lining.	8
5	Sometimes, I allow myself to burn bridges when I have determined to work on something.	6
6	I scold at other people when they are rude to me.	5
7	I can't bear when I have the physiological need i.e. hungry or thirsty.	1
8	I can't bear if partners are not loyal to me.	1
9	I can't bear if people speak in an impolite way.	1
10	I can't stand if other people are intruding my privacy.	1

Figure 4.8: Scree Test for Moving Forward

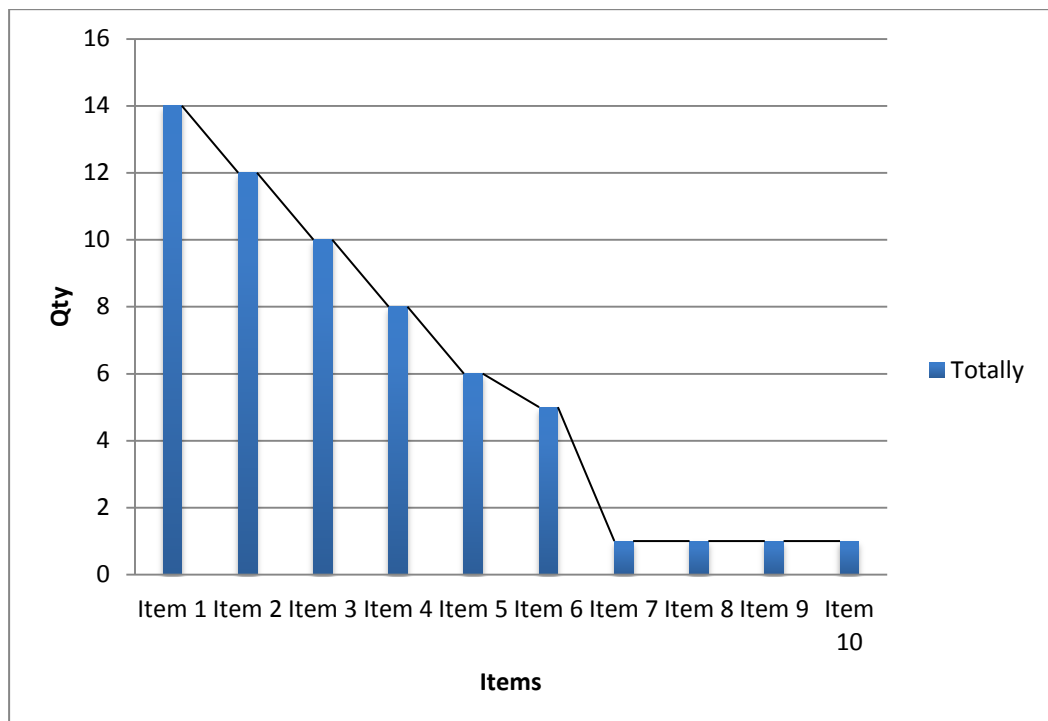
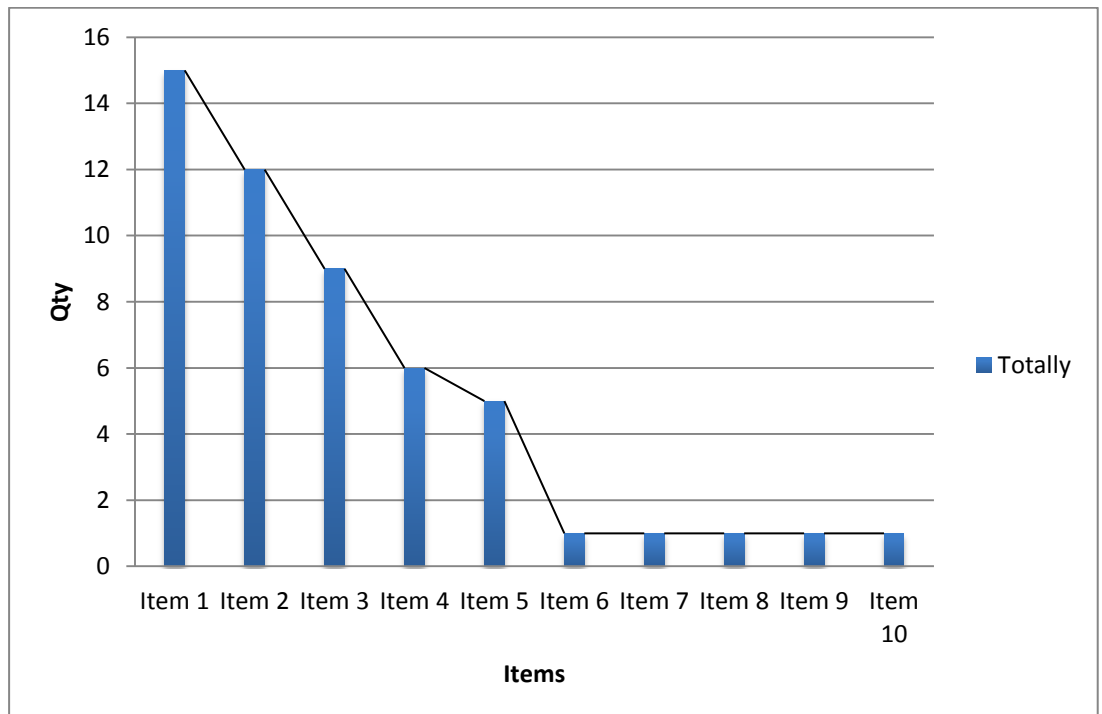


Table 4.8: Moving Backward

Item No.	Name of Item	Frequency
1	I believe if we can tolerate in the small issues, the bigger issues will be overcome smoothly.	15
2	At work, I allow myself to take a step back and achieve the state of a brighter future later.	12
3	At work, acting like a fool can refrain from a lot of troubles.	9
4	At work, if we can tolerate for the moment, the big trouble will disappear.	6
5	Sometimes, I tolerate so as to reduce conflicts with other people.	5
6	Sometimes, I tolerate in the short run so as to achieve the long-term goal.	1
7	Sometimes, I tolerate so as to adjust my emotion.	1
8	Sometimes, I tolerate so as to meet with my expectation.	1
9	Sometimes, I tolerate so as to reduce arguments.	1
10	Sometimes, I tolerate so as to alleviate the life threatening situation.	1

Figure 4.9: Scree Test for Moving Backward



Findings of the Focus Group

As discussed in Chapter 3, seven dimensions of Ren have been proposed. For Value Ren, it is the shared belief system of the different constituents of Ren, which includes the dimensions of Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order and Adherence to Rationality. Instrumental Ren is the process through the action of Ren, and the final objective is accomplished, embracing the dimensions of Preference for Status Quo, Moving Forward and Moving Backward. According to the Scree Test results, the findings of the focus group discussions are summarized in Table 4.9. Totally, 249 responses were gathered and 53 items were mapped to the proposed seven dimensions. After deleting the items by Scree Tests, there were 37 items.

Table 4.9: Summary of Scree Test Results

No.	Dimension	Response	Item	Item after Scree Test
1	Acceptance of Dissimilarity in Personality	55	10	7
2	Accommodating with Varied Opinion	17	5	4
3	Observation of Role Order	29	7	5
4	Adherence to Rationality	18	5	5
5	Preference for Status Quo	19	6	5
6	Moving Forward	59	10	6
7	Moving Backward	52	10	5
	Total	249	53	37

4.2.2 Judgments from Experts

According to Churchill (2010), establishing the validity of the research data and information through the comprehensive literature review and judgments from experts or a panel of experts is necessary. Content validity refers to the subjective consensus amongst experts agreeing that a scale represents substantially the things that it is supposed to measure (Zikmund, 2000).

The purpose of expert opinions was to scrutinise the scale items that were formed in the literature review and focus group discussions. In another words,

this method is the assessment of the content validity of constructs of Ren by a panel of experts in the Chinese culture.

In detail, the process of conducting the expert opinions is listed as follows:

- The findings of the literature review, focus group and Scree Tests were combined together and turned into items.
- Under the previously formed seven dimensions, every dimension consisted of a number of items.
- The items were turned into a matrix with the top containing the seven dimensions and the left hand side containing the items which were randomised.
- Five marketing scholars with good knowledge of the Chinese culture were invited to assess the items.
- They were asked to sort the items into dimensions.
- The threshold of including the item under the respective dimension was 80% correct or above so that the item was accepted.
- If any item was less than 80% correct in sorting, then each scholar was asked to explain the reason why a particular item was not sorted into the relevant dimension.
- Thereafter, the item was reworded. The process was repeated three times unless no enhancement could be made.
- After three attempts and the item still could not reach the threshold of 80% correctness, the item was deleted.
- The minimum number of items for each dimension should be four.

In summary, in this research, five experienced marketing experts with knowledge of the Chinese culture were cordially invited to evaluate the content of the measure; the theoretical structure, phrases and wording of the questionnaire; and the suitability of the attributes of the construct. The experts were excellent in their chosen fields, such as Chinese cultural studies experts, academic experts, professional editors and others. The wordings and phrases of the questionnaire were screened and edited by a professional Chinese editor. If 80% of the experts or above agreed with the results, then their opinions and views were accepted and used in the second part of the research design.

Importantly, an inventory of about four items for each of the seven key dimensions was generated in the qualitative research. Table 4.10 shows that after the panel of experts went through the abovementioned procedures, the total number of items was reduced from 37 to 31, which were adopted in the questionnaire.

Table 4.10: Summary of Expert Opinion Results

No.	Dimension	Item after Scree Test	Item after Expert Opinion
1	Acceptance of Dissimilarity in Personality	7	7
2	Accommodating with Varied Opinion	4	3
3	Observation of Role Order	5	4
4	Adherence to Rationality	5	4
5	Preference for Status Quo	5	4
6	Moving Forward	6	5
7	Moving Backward	5	4
	Total	37	31

In the next section, the quantitative research is elaborated in detail.

4.3 Quantitative Research

In the second stage of the research design, the quantitative research is adopted.

The purposes of the quantitative research in this study were multi-fold:

- To design a questionnaire that includes Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty
- To use quasi-experimental design to generate a number of scenarios for respondents to respond to
- To calculate the sample size and draw a sample from the sampling frame
- To conduct a survey and collect data using the designed questionnaire developed in the previous stage
- To purify the scale of Ren using a pilot survey

All of the above items are discussed in the following section.

4.3.1 Quasi-experimental Design

A quasi-experimental design, as an integrated part of the survey was adopted to deduce effect of Service Quality on Loyalty (Shadish, Cook and Campbell, 2002). In the quasi-experimental design, six scenarios made up of various factors of service quality were turned into six videos which were recorded in the same restaurant where the customers had their meals in the real CCT environment. Each scenario referred to the manipulation of the service performance of the employees in CCT and the rationale behind the six scenarios can be found in the next section: levels of treatment. For example, *'ABC Restaurant's employees were visually appealing or untidy'*. In other words, each video recorded represented a unique scenario of the Service Quality. The quasi-experimental design is a rigorous research design and is commonly used in social research because of its incorporated precaution for internal validity – randomization. Therefore, the result of a research study is better achieved by using quasi-experimental design than by other approaches (Mattila and Enz, 2002). There are two purposes of using the quasi-experimental design. The first is simply to create variance for the construct, Loyalty because Loyalty must have a reference point such as Service Quality so that it could be effectively manipulated. In this study, I adopted a fractional factorial orthogonal design (Kitagawa and Mitome, 1953; Montgomery, 1990) so that six scenarios of Service Quality were obtained. These scenarios were adopted to gather empirical data in the street (Shadish, Cook and Campbell, 2002) where the performance of the staff of the restaurant was manipulated.

The second purpose is that Ren is not readily practised by customers unless they have experienced the performance of the staff. Therefore, it is essential to manipulate the service quality of the staff in CCT to prompt the practice of Ren in a quasi-experimental design environment (Mattila and Enz, 2002; Kwong, 2007). The dimensions used to manipulate Service Quality were Reliability, Tangibles, Responsiveness and Personalization.

At the beginning of the survey, a video of the staff's performance was shown

to the respondent on an iPad, and the respondent needed to decide whether the service quality was desirable or not and whether the loyalty was affected. Therefore, the video was a critical instrument used to ensure relationship exists between Service Quality and Loyalty.

When compared with the live performance of the employee, the video-recorded performance was significantly more reliable and consistent, although both of them were performed in the genuine dining environment (Boulding, Kalra, Staelin and Zeithaml, 1993; Bordwell and Thompson, 1993; Bauer and Gaskell, 2000; Madden, 2010). In addition, the video-recorded performance of the employee caused minimum inconvenience to the routine work of the employee of CCT. In this research study, the live performance of the employee of CCT was video recorded to minimise inconvenience to the routine work.

Despite the shortcomings of the quasi-experimental design, the data and information collected from a quasi-experimental design should be more valid and significant than those from a genuine experimental design if a quasi-experimental design is carefully conducted (Shadish, Cook and Campbell, 2002). According to Lim and Summers (1984), and Tsapeli and Musolesi (2015), the advantage of adopting a quasi-experimental design is that the subject might not easily predict the goals of the design and did not react accordingly as the experiment conducted in the laboratory setting, which may lead to reactive errors. Another advantage of a quasi-experimental design is that it was a cost-effective method used to gain the treatment effects. After the abovementioned factors were considered, a quasi-experimental design was adopted for this research.

Levels of Treatment

In the experiment, four independent elements, which were the four dimensions of service quality borrowed from the Servqual-P model, were manipulated, namely, Reliability, Responsiveness, Personalization and Tangibles. According to the literature review and the focus group results, the positive performance of the staff and the appealing physical evidence of CCT

could be explained by the four dimensions. In the experiment, every element comprises the behaviour of the staff that could be manipulated. For example, Reliability in the genuine setting was used to 'provide the service as promised' or to 'perform the service right the first time' (Bougoure and Lee, 2009). Before the experiment was conducted, the owner and the senior manager were requested to check whether CCT reflects the actual daily operation of their restaurant. Each independent element was manipulated at three levels in a $2 \times 2 \times 2 \times 3$ ($2^3 \times 3$) full factorial design generating 24 cells. According to Kitagawa and Mitome (1953), a balanced group of sets for $2 \times 2 \times 2 \times 3$ ($2^3 \times 3$) can be reduced to blocks of six units through fractional factorial orthogonal design (Kitagawa and Mitome, 1953, p.240). In other words, the 24 scenarios can be reduced to six scenarios based on the calculations of the fractional factorial orthogonal design. Moving from full factorial designs to fractional factorial orthogonal designs can help reduce the total number of trials, saving money and time (Montgomery, 1990). The subjects in each cell were assigned with a special combination of treatment. Table 4.11 describes the $2 \times 2 \times 2 \times 3$ Full Factorial Design of this research. A total of 24 scenarios were produced under the research design, and subjects were assigned to one of the special scenarios comprising a variety of situations at random. In addition, Table 4.12 demonstrates the blocks of six units reduced fractional factorial orthogonal design of blocks of six scenarios.

Table 4.11: 2x2x2x3 Full Factorial Design

	S1					
	P1		P2		P3	
	T1	T2	T1	T2	T1	T2
R1	R1S1P1T1	R1S1P1T2	R1S1P2T1	R1S1P2T2	R1S1P3T2	R1S1P3T2
R2	R2S1P1T1	R2S1P1T2	R2S1P2T1	R2S1P2T2	R2S1P3T2	R2S1P3T2

	S2					
	P1		P2		P3	
	T1	T2	T1	T2	T1	T2
R1	R1S2P2T1	R1S2P1T2	R1S2P2t1	R1S2P2T2	R1S2P3T1	R1S2P3T2
R2	R2S2P2T1	R2S2P1T2	R2S2P2t1	R2S2P2T2	R2S2P3T1	R2S2P3T2

Legend: R1S1P1T1 refers to the first statement of Reliability(R), Responsiveness(S), Personalization(P) and Tangibles (T).

Table 4.12: Fractional Factorial Orthogonal Design of Blocks of Six Units

Level of Treatment	Treatment			
	Responsiveness	Reliability	Personalization	Tangibles
Scenario 1	0	0	0	0
Scenario 2	0	1	1	1
Scenario 3	1	0	0	1
Scenario 4	1	1	1	0
Scenario 5	2	0	1	0
Scenario 6	2	1	0	1

Legend: 0 refers to treatment level 0; 1 refers to treatment level 1; 2 refers to treatment level 2.

Table 4.13: Fractional Factorial Orthogonal Design of Six Scenarios in terms of Service Quality

Level of Treatment	Treatment			
	Responsiveness	Reliability	Personalization	Tangibles
Scenario 1	<5 min	<i>same food/drink</i>	<i>friendly</i>	<i>visually appealing</i>
Scenario 2	<5 min	<i>wrong food/drink</i>	<i>unfriendly</i>	<i>untidy</i>
Scenario 3	6 to 15 min.	<i>same food/drink</i>	<i>friendly</i>	<i>untidy</i>
Scenario 4	6 to 15 min.	<i>wrong food/drink</i>	<i>unfriendly</i>	<i>visually appealing</i>
Scenario 5	> 15 min	<i>same food/drink</i>	<i>unfriendly</i>	<i>visually appealing</i>
Scenario 6	> 15 min	<i>wrong food/drink</i>	<i>friendly</i>	<i>Untidy</i>

In Table 4.13, various treatments of Service Quality were transformed into following six scenarios, which were performed by the designated actors.

Senario 1:

- *The employee of ABC Restaurant gave you service within 5 min.*
- *ABC Restaurant's employee delivered exactly the food/drink that I ordered.*
- *The staff working at ABC Restaurant were friendly.*
- *ABC Restaurant's employee was visually appealing.*

Senario 2:

- *The employee of ABC Restaurant gave you service within 5 min.*
- *ABC Restaurant's employee delivered the wrong food/drink to me.*
- *The staff working at ABC Restaurant ignored me.*
- *ABC Restaurant's employee was untidy.*

Senario 3:

- *The employee of ABC Restaurant gave you service within 6 to 15 min.*
- *ABC Restaurant's employee delivered exactly the food/drink that I ordered.*

- *The staff working at ABC Restaurant were friendly.*
- *ABC Restaurant's employee was untidy.*

Senario 4:

- *The employee of ABC Restaurant gave you service within 6 to 15 min.*
- *ABC Restaurant's employee delivered the wrong food/drink to me.*
- *The staff working at ABC Restaurant ignored me.*
- *ABC Restaurant's employee was visually appealing.*

Senario 5:

- *The employee of ABC Restaurant gave you service more than 15 min.*
- *ABC Restaurant's employee delivered exactly the food/drink that I ordered.*
- *The staff working at ABC Restaurant ignored me.*
- *ABC Restaurant's employee was visually appealing.*

Senario 6:

- *The employee of ABC Restaurant gave you service more than 15 min*
- *ABC Restaurant's employee delivered the wrong food/drink to me.*
- *The staff working at ABC Restaurant were friendly.*
- *ABC Restaurant's employee was untidy.*

Storyline of the First Scenario

In order to elaborate the scenarios more clearly, the storyboard of the first scenario is shown as follows:

1. Before the survey, a video was shown to the respondent and it lasted for 50 seconds.
2. The first part of the video is the introduction of the CCT and was shown to the respondent with voice over and scripts.
3. Then, a friendly, attentive and polite staff was serving the customer with a glass of iced milk tea. His uniform was visually appealing.
4. After putting the glass of water on the table, the staff politely asked the customer to enjoy the drink.

5. The customer praised the staff's service by saying his ordered drink was delivered within 5 min. The customer was pleased with the drink.
6. The staff politely replied by saying "thank you" to the customer and walked away slowly.

Before shooting and recording, discussions among the researcher, the actors and the producer were made to ensure that the actors understood the exact meaning of the scripts. After recording, the producer and the researcher had to make sure the actors could act exactly as the scripts described. Otherwise, modifications were made to the satisfaction of the producer and the researcher. For example, if the script was about the untidy uniform of the staff, the actors should act accordingly and also be perceived positively by the producer and the researcher. To check if the manipulation was successful from the view of the respondents, the statistical results are reported in the chapter of data analysis.

Research Design

In this study, systematic sampling method was adopted. Systematic sampling, also called probability sampling, refers to a sampling method where the persons chosen for the study have prior knowledge of their selection or at least some awareness of the probability of their being chosen as sample subjects (Nardi, 2006). The detail of systematic sampling is explained in Section 4.4.2: Systematic sampling. In this research, the survey was held in randomly selected spots near the clusters of CCTs in six districts in Hong Kong. Every one out of five customers in the street was selected.

4.3.1.1 Research Setting

The research setting selected for this research was based on three elements: context, restaurant and form. The major objective of this research is to operationalise not only the concept of Ren but a comprehensive model which includes other constructs such as Harmony, Business Relationship, Service Quality and Loyalty. In having service quality yield an influence on loyalty, service quality must be manipulated.

This research was conducted in a business-to-customer context. A Hong Kong style restaurant or CCT was chosen for this research as CCT was one of the most popular forms of retail store for Hong Kong people. Details of the three elements are explained in the succeeding subsections.

Context

The context chosen for this study was mainly related to service instead of physical goods (Lovelock, 2011; Solomon et al., 1985; Swartz, Bowen and Brown 1992). Lovelock (2011) defined service as ‘a process or performance rather than a thing’, (p. 13) whereas Solomon et al. (1985) defined services marketing as ‘the marketing of activities and processes rather than objects’ (p. 106). According to Lovelock and Wirtz (2004), four distinct characteristics of services separate these activities into a category of their own, which may be described as products in their own right, apart from the sole provision of manufactured goods, although some criticism has existed on the idea of separating goods and services (Vargo and Lusch 2004). The first of these characteristics is *intangibility*, which shows that a service does not lend itself to being patented, stored or readily displayed, whereas customers feel, touch, smell, hear or see tangible products. Service activity is a performance or art and therefore not easy to communicate or place a value upon (Berry and Yadav, 1996). In the restaurant, customers do not possess the service but consume the service of the restaurant. The second distinguishing characteristic is *inseparability*. For example, on a day-to-day basis, service providers perform or create services simultaneously to the complete or partial use of such services. In addition, the participation of customers in the delivery processes means that service providers have less control over the purchasing or service experience (Sierra and McQuitty, 2005). Under these circumstances, customer involvement plays an important role in deciding the quality of service performance provided by service providers (Parasuraman, Zeithaml and Berry, 1985). This dual relationship is known as inseparability. For instance, whilst food is being served in restaurant, customers can eat at the same time. The third service characteristic is *heterogeneity*. A great variety of service performances exist, as services are not easy to standardise, in contrast to the manufacture of commodities. Edvardsson (2005) explains that service

quality can vary according to manufacturer, salesman, consumer and moment. Sierra and McQuitty (2005) argue that a service provider needs to give responsibility to employees for observing the needs of the consumer and responding appropriately to them. Finally, the fourth characteristic of services is *perishability*. As Edvardsson, Gustafsson and Roos (2005) point out, services cannot be stored, inventoried or warehoused. Sierra and McQuitty (2005) stress that unlike manufactured commodities, services must be properly delivered the first time around, or else the consequences can be very serious. Services in restaurants are treated as perishable, as services cannot be stored for a future consumption. The context of this research is the restaurant because the restaurant setting does not limit itself to either pure goods or pure services (Oliver, 1997). In the next subsection, the selection of the right style of restaurant is discussed.

Style of Restaurants in Hong Kong

In general, three styles of restaurants in Hong Kong are commonly found: the Chinese style, the Western style and the Hong Kong style. The Chinese-style restaurant is a common gathering and chatting place for a group of 2 to 10 friends or relatives to drink Chinese tea and eat some snacks such as dim sum, and customers have a tendency to stay hours in this type of restaurant. The Western-style restaurant mainly provides Western food such as burgers, spaghetti and beef steak, but dim sum and congee are not normally served in the Western-style restaurant. Moreover, Western food is served individually in the Western-style restaurant, whereas Chinese food is shared amongst a group of friends or relatives in the Chinese-style restaurant. The Hong Kong-style restaurant does not serve dim sum but serves other local food such as toast, milk tea, spaghetti, congee, noodles, rice and others. As mentioned by McLane (2008), different Cantonese words refer to 'place to eat', for instance, cha chaan teng, jau ga, chaan teng, dai paai dong and jau lau. Originating as an ice chamber (冰室, bing sud), the Hong Kong-style restaurant is also called CCT or café in Hong Kong. CCT reflects a part of the culture of Hong Kong (McLane, 2008). CCT is an appropriate context for conducting this study because it is a classic in Hong Kong and a source of nostalgia for Hong Kong people, serving local drinks such as naai cha (milk tea), leng cha (lemon tea),

yun yeung (a blend of coffee and black tea) and local food such as jyuh pa yi mihn (pork chop with noodle) (McLane, 2008).

The next subsection explains the form of CCT.

Form

CCT is established either in a form of a single retail store or a chain of retail stores sponsored by the same owner. Typical CCT chain stores include Tsui Wah (翠華) and Sun Chiu Kee (新釗記). CCT chain stores offer food and services in different locations. In general, the prices of the food offered by CCT chain stores are more expensive than those of the single, old-fashioned retail stores. CCT chain stores charge a premium on their food in different wealthy areas such as Central, Causeway Bay or Happy Valley. The CCT chain store was chosen for this research because the data gathered from multiple stores may help generate a boarder base of opinions from customers.

In this research, CCT was chosen partly because of its popularity and partly because of its reflection of the Hong Kong people's consumption culture (McLane, 2008). Most of the customers in CCT speak Cantonese, and therefore any cultural gaps or misunderstandings can be minimised.

In the next sections, the qualitative research and the research methods adopted in this study are explained in depth.

Background Factors

According to Garcia and Wantchekon (2010), the results of the experiments should be affected by the experiment treatments but not by the background factors such as gender and age. In other words, the background factors are not part of the theory and may moderate the treatment effects on the dependent factors or cause interaction effects with other independent factors. In turn, they may pose some threats to external validity and make the experimental results non-transferable to various situations. Garcia and Wantchekon (2010) suggested two ways of identifying the effects of the background factors on the experiment results. Firstly, a hierarchical regression can be adopted to divide

the background factors and the independent treatment effects on a dependent factor. If the background factors do not affect the external validity of the experiment, then the effect on the dependent factor is not significant. Secondly, a t-test can be adopted to determine the obvious difference between group variables, that is, females and males of the background factor such as gender in an experimental environment. If the t-test results are the same in other contexts, then the background factor such as gender is not a significant factor in the experiment. Both hierarchical regression and t-test were adopted in this research to ascertain the threats to the external validity of the experiment, and Chapter 5 discusses the results.

4.3.2 Questionnaire Design

A self-administered cross-sectional questionnaire survey was conducted in this research. Another important issue in the research design is the time spent to conduct the research.

4.3.2.1 Questionnaire Development

The scale of Ren was ready for inclusion to the questionnaire. Therefore, other items were also included, such as Harmony, Business Relationship, Service Quality and Loyalty.

Harmony was adapted from Chow (2004). A total of five dimensions, namely, Enriching, Leading, Bridging, Synchronizing and Imitation, and 25 items were included. This scale has a reliability of 0.93. The scale of Chow (2004) was adopted because the author is the first and only scholar who has conducted an empirical study on the topic of Harmony.

Business Relationship is quite a mature construct adopted from Yau et al. (1999). It has four dimensions, namely, Trust, Bonding, Empathy and Reciprocity, and 15 items are included. The scale has a reliability of 0.90.

The scale for Service Quality, adopted from Mittal et al. (1996), has four dimensions: Reliability, Responsiveness, Personalization and Tangibles, consisting of 16 items. It has a reliability of 0.91. The scale of Mittal et al.

(1996) was adopted because the scale of Service Quality is one of the two most popular scales used in various business-to-customer context (Surprenant and Solomon, 1987; Triplett, Yau and Neal, 1994; Khatibi, Ismail and Thyagarajan, 2002; Bougoure and Lee, 2009).

Loyalty is a very mature construct. The scale with three items was adopted from Kwong (2006). It has a reliability of 0.8.

4.3.2.2 Operationalisation of Variables

Constructs other than Ren have been developed by other scholars and have been described in the previous section such as constructs for Harmony, Business Relationship, Service Quality and Loyalty. Therefore, this section only describes the development of the scale for Ren and in particular the way that the variables or items were operationalised to reflectively measure the concept of Ren.

In Figure 4.2, an adopted model for developing measures of Ren was used in this study (Churchill, 1979). The suggested procedure for developing better measures for this study is listed as follows:

1. The domain of the construct Ren was specified.

In Chapter 3, a total of seven dimensions in the model were depicted, namely, Acceptance of Dissimilarity, Accommodating with Varied Perceived Importance, Observation of Role Order, Adherence to Rationality, Status Quo, Moving Forward and Moving Backward.

2. Generating a sample of items.

An inventory of the items of Ren was developed through literature review, which was merged with focus group results and expert opinions. The face validity of the scale will be evaluated.

3. Data was collected through survey.

4. Purifying measures: Measures of Ren were purified through factor analysis and Cronbach's alpha.

5. Assessing reliability: Reliability was assessed through split-half reliability and Cronbach's alpha.

6. Assessing validity: The validity of the scale of Ren was assessed through construct validity, criterion validity, discriminant validity and convergent validity, through exploratory factor analysis and structural equation modelling.
7. Developing measures of Customer Ren Orientation: Measures of Customer Ren Orientation were finally developed by averaging the distribution of scores.

4.3.2.3 Cross-sectional Research Methods

Cross-sectional research methods refer to measuring the attitudes, behaviours and characteristics of a population at a particular time (Mann, 2003). A longitudinal research method refers to a study replicating itself over a long period such as a year later. The merit of conducting longitudinal research is the possibility of keeping track of the alterations in factor performance over a certain period. The downside of conducting this type of research is the added cost and time (Churchill, 2010).

For collecting data, a cross-sectional research method instead of a longitudinal research method was used because of the following reasons (Cooper and Schindler, 2011).

Firstly, the cross-sectional research method can save time and money.

Secondly, it emphasises the correlations between variables and is particularly helpful in conducting the current type of research (Shaughnessy, Zechmeister and Zechmeister, 2012).

Thirdly, compared with other methods, it is a popular method and an essential descriptive design (Churchill, Brown and Suter, 2010).

Fourthly, it has been adopted in a wide range of business-to-customer studies, especially in mainland China.

Fifthly, it takes a snapshot of the key variables at a single time, and the chosen elements of the sample were important to help the researcher to decide on the

representativeness of the elements.

Despite the fact that using a longitudinal research method is good practice in exploring the causal relationships between variables and can examine variations over a long period, this research adopts the cross-sectional research method because it saves time and money, and the researchers do not need to worry about the same group of subjects dropping out during the data collection period (Cooper and Schindler, 2011). For example, Chow (2004) adopted the cross-sectional research approach to establish his model of Harmony.

The next section discusses the structure of the questionnaire.

4.3.3 Structure of Questionnaire

In this section, four important issues of the structure of the questionnaire are discussed in detail, namely, response format, question phrasing, question sequence and administration approach (Malhotra, 2012).

4.3.3.1 Format to Respond: Open-ended and closed-ended questions are two commonly adopted response formats. The pros and cons of these response formats are discussed as follows.

The advantage of using open-ended questions is that respondents can respond freely without fixed choices of answers. Importantly, researchers can collect a variety of insights and new ideas from the respondent, and reasons behind the answers can also be explained by the respondent in detail. Therefore, the nature of open-ended questions is more exploratory.

With the advantages of open-ended questions are some downsides of this format, and the first disadvantage is the interviewer's bias. The interviewer's bias is mainly due to the experience of the interviewer in probing the responses from respondents, the interviewer's ability to transcribe the free responses correctly and the level of objectivity of the interviewer in the process of transcription (Churchill and Iacobucci, 2010). Another disadvantage of the

open-ended question format is that this method takes more time and cost more resources in categorising the responses (Malhotra, 2012).

The merits of the closed-ended question format are discussed below.

- The respondent may save significant time in answering the question, as choices are given to them. In turn, the researcher saves on costs.
- No extra efforts are necessary to categorise the responses, as they are not lengthy but are straightforward.
- The closed-ended question format allows the respondent to select an answer that most appropriately reflects his view from a limited number of choices.

4.3.3.2 Question Phrasing: Question phrasing refers to the use of words and phrases that are easily understood by the respondents. As suggested by Nair (2009), ensuring that respondents can comprehend the questions as expected by the researcher is essential. The general principle is to attempt to make the words and phrases plain enough for the respondents to respond without obstacles (Malhotra, 2012). In addition, the researcher must omit double-barrelled, loaded, complex and leading questions. Q.4.10 and Q.4.24 were two Common Method Variance (CMV) questions which are explained in the following sub-section.

CMV

According to Richardson et al. (2009, p. 763), CMV refers to ‘systematic error variance shared amongst variables measured with and introduced as a function of the same method and/or source’. The problem of the variance is mainly due to the measurement method but not the construct itself (Bagozzi, Yi and Phillips, 1991). Although the systematic error variances can be very serious to the results of the research, some proactive quasi-experimental design measures alleviate the degree of variances as follows, as suggested by MacKenzie and Podsakoff (2012):

1. Research data were gathered from separate sources.

2. Research data were collected at different times and from different locations.
3. The anonymity of the respondents should be upheld.
4. The respondents should be clearly informed that there was no right or wrong answer so that they can answer freely.
5. ‘Double-barrelled’ questions were avoided.
6. Respondents with sufficient experience and knowledge to answer the questions were screened.
7. The survey instrument was pre-tested so that feedback can be used to improve the survey instrument.
8. Counterbalance questions were added such as Q.4.10 and Q.4.24.

In this research study, all of the abovementioned measures were adopted so that the systematic error variances can be significantly reduced.

4.3.3.3 Question Sequence: Based on the model created in Chapter Three, the questionnaire of the research was established. Seven sections were included. All the questions were arranged logically in the sections so that the respondents can answer the questions sequentially (Nair, 2009). For ease of reference, the organisation of the questionnaire is shown in Table 4.14, and the bi-lingual version of the questionnaire is attached in Appendix 4.2.

Table 4.14: Questionnaire Structure

Section	Content	Question No.
1	Screening Questions	1.1–1.2
2	Showing the video and Loyalty questions	2.1–2.3
3	Service Quality Questions	3.1–3.16
4	Customer Ren Orientation Questions	4.1–4.33
5	Harmony Questions	5.1–5.25
6	Business Relationship Questions	6.1–6.15
7	Classification Data Questions	7.1–7.7

A Likert scale was adopted in other constructs because of the following merits:

Firstly, a Likert scale was easy to comprehend and a popular research tool for collecting data. Secondly, this scale also helps researchers easily collect quantifiable data, and respondents might also find it easy to choose the degree

of agreement and degree of disagreement (Malhotra, 2012). A six-point fully anchored scale questions were used in Sections 3 to 7. In addition, a six-point Likert scale was used to operationalize the Ren concepts, and examples are listed below. Six-point Likert scale was adopted in the study as it tends to avoid central tendency of respondents in the survey (Yau et al., 1999). The even number of choices was more desirable for the Chinese community research (Yang, Yip and Wong, 1989; Yau et al., 1999).

In Section 5: In Customer Ren Orientation, a tentative list of items based on the literature review results. A final list of items was available after merging the items generated from the literature and the focus group. As shown in Table 4.15, the list was also subject to changes in wording in the pilot survey.

Table 4.15: Final List of Items Generated from Focus Group

	Strongly Disagree	Strongly Agree
Dissimilarity	1 2 3 4 5 6	
5.1 I cannot bear other people's biases.	1 2 3 4 5 6	
5.2 I cannot bear other people's stubbornness.	1 2 3 4 5 6	
5.3 I cannot bear other people's complaints.	1 2 3 4 5 6	
5.4 I cannot bear other people's diverse opinions.	1 2 3 4 5 6	

At the beginning of the questionnaire, two screening questions in Section 1 help the researcher to qualify the respondents. Firstly, respondents were at least aged 18 years old, so that the maturity of the respondents' answers can be ensured; secondly, the qualified respondents needed to have dined in the restaurant before to make their comments grounded on experience on the service of CCT.

Example of Screening Question

1. Are you aged 18 or above? Yes / No (Terminate)

In Section 2, check questions evaluate the efficacy of the experiment in some of the questions below. These questions can help check if the

quasi-experiment fell into one of the six scenarios. If the scenario was incorrect, a new one should be shown to the respondent again.

Examples of Check Questions

Here are some questions related to the performance of the staff. Please circle appropriate answers below.

1. *ABC Restaurant's employees delivered*
 - a. *exactly the food/drink that I ordered.*
 - b. *the wrong food/drink to me.*
2. *Employees of ABC Restaurant gave you service*
 - a. *within 5 min.*
 - b. *within 6 to 15 min.*
 - c. *more than 15 min.*
3. *All the staff working at ABC Restaurant*
 - a. *were friendly.*
 - b. *ignored me.*
4. *ABC Restaurant's employees were*
 - a. *visually appealing.*
 - b. *untidy.*

Sections 2 to 6 comprise Showing the video and Questions on Loyalty, Service Quality, Customer Ren Orientation, Harmony and Business Relationship. In Section 7, respondents were requested to provide personal particulars. To facilitate the smooth flow of the operation, no skip question was used. All sections and questions were coded to aid entry, recoding and analysis of data and information.

Placing the section Loyalty before other constructs makes the recorded video of the staff's performance easier for respondents to remember. Secondly, it can help reinforce the memory of the service quality and in turn, help respondents proceed with the survey more smoothly. After the screening the questions, the qualified respondent was asked to see the video on an iPad first before answering the questions of the questionnaire.

Section 8 addresses Classification Data, in which multiple-choice questions were used in capturing the respondents' profile. Two types of basic information were collected. Firstly, the personal particulars of the respondent, such as sex, age, education level and monthly family income were gathered. Secondly, information about the habit of the respondent in CCT was also gathered. Given that personal data were both private and sensitive to the respondent, leaving them at the end of the questionnaire was more appropriate for respondents. Some of the following examples show the number of companions and the frequency of patronage:

1. *Not counting this meal, how many times did you have your meal in this ABC Restaurant last week?* _____ *times*
2. *Do you come with someone this time?*
☐ *Yes* _____ *(number of people)* ☐ *No*

4.3.3.4 Administration Method: The administration method is essential to the questionnaire design. In this research, the questionnaire was administered by an interviewer in the CCT. An introduction paragraph, which was included in the questionnaire explaining the aims and nature of the interview was read by the interviewer. The video was shown on an iPad after qualifying the prospective respondent by the screening questions.

Subjects were assured that all their personal particulars were kept in strict confidence. Scale cards were shown to the subjects at the right stage(s) of the interview. Moreover, to facilitate the operation of the interview, the interviewer read out the instruction of each session.

4.3.4 Section Summary

In this section, the quantitative design was explored. To operationalise the variables, the quasi-experimental design and questionnaire design were discussed. For questionnaire design, various essential factors were considered, such as kinds of information needed, question content, response format, question phrasing, sequence of questions, administration method and pretesting the questionnaire. Items of questionnaire were adopted based on the

ideas and insights drawn from the focus group and/or the review of the extant literature in Chapter 2. In the next section, the measurement technique is explored in detail.

4.4 Sampling

In this section, the steps of recruiting respondents are discussed. Firstly, the target respondents of the research study and systematic sampling are discussed. Then, the method of deciding the sample size is explored (Churchill and Iacobucci, 2010).

4.4.1 Sampling Frame

According to Churchill (2010), a sampling frame refers to the elements of the population from which the sample is selected. In this research, the sampling frame included the customers who have dined in the Cha Chann Teng before the specified survey period from 23 June 2015–5 July 2015. Target respondents need to fulfil the following third criteria: firstly, they were Cantonese speakers; secondly, they were at least 18 years old; thirdly, lastly, they have patronized CCT before. The first criterion reduces the cultural difference that may occur for the non-Cantonese speakers. The second criterion ensures that the respondents have the maturity to answer the survey questions, and can afford to pay for the CCT. For the third criterion, the qualified respondents needed to have dined in the restaurant before to make their comments grounded on experience on the service of the restaurant. The sampling frame of this research study was mainly obtained from the Hong Kong District Board (2014). As informed by the Hong Kong District Board in 2014, 18 districts exist with different sizes of population in each district (Census and Statistics Department, 2015).

4.4.2 Systematic Sampling

Systematic sampling, also called probability sampling, refers to a sampling method where the persons chosen for the study have prior knowledge of their selection, or at least some awareness of the probability of their being chosen as sample subjects (Nardi, 2006). According to Saunders et al. (2011), four procedures are used for systematic sampling: firstly, the researcher must

identify an appropriate sampling frame, where a sampling frame means ‘a complete list of all the cases in the population from which your sample is drawn (Saunders, et al. 2011);’ Secondly, the researcher must choose an appropriate sample size. Thirdly, the researcher must pick the most suitable sampling techniques and sample. Lastly, the sample’s ability to fairly represent the population must be ascertained. The main advantage of the systematic sampling method is its value in enhancing the reliability and validity of the research study. However, the main drawbacks of implementing the systematic method include its complexity, inefficiency and high cost (Bryman and Bell, 2015). Three stages occur for the sample selection process. Firstly, a cluster sampling method was adopted in choosing eighteen districts to be covered in this research study. Based on the classification of districts by the Hong Kong District Board in 2014, Hong Kong was separated into 18 clusters apart from the outlying islands (Census and Statistics Department, 2015). Actually, every single district in Hong Kong can be classified as a cluster based on the geographic location of the cluster.

In Stage 2, 18 districts were ranked from high income to low income districts. 18 districts were reduced to six clustered districts based on economic characteristics, from high to low income clusters. One district was randomly selected from each cluster.

In Stage 3, based on the highly concentrated locations of CCTs in the randomly selected district in Stage 2, two or three spots have been selected from each district. For every five people, the fifth one was chosen.

Table 4.16: 2011 Population Census

Hong Kong Island	Population Size
Central and Western	251 519
Wan Chai	152 608
Eastern	588 094
Southern	278 655
Sub-total	1 270 876
Kowloon	
Yau Tsim Mong	307 878
Sham Shui Po	380 855
Kowloon City	377 351
Wong Tai Sin	420 183
Kwun Tong	622 152
Sub-total	2 108 419
New Territories	
Kwai Tsing	511 167
Tsuen Wan	304 637
Tuen Mun	487 546
Yuen Long	578 529
North	304 134
Tai Po	296 853
Sha Tin	630 273
Sai Kung	436 627
Islands	141 327
Sub-total	3 691 093

*2011 Population Census - Fact Sheet for the Whole Territory of Hong Kong
<http://www.census2011.gov.hk/en/district-profiles/dcd-hk.html> Accessed on 13 June 2015

Table 4.17: 2014 Household Income in Hong Kong

No.	Districts	Household Income	
1	Wan Chai	45,000	
2	Central and Western	44,100	*
3	Sai Kung	34,600	
4	Eastern	33,500	*
5	Southern	33,000	
6	Kowloon City	31,000	
7	Tsuen Wan	31,000	*
8	Tai Po	31,000	
9	Sha Tin	31,000	
10	Islands	30,100	
11	Yau Tsim Mong	30,000	*
12	Yuen Long	26,000	
13	North	26,000	
14	Tuen Mun	25,000	
15	Kwai Tsing	23,600	*
16	Kwun Tong	23,200	*
17	Sham Shui Po	23,000	
18	Wong Tai Sin	20,000	
Average		28,800	

* Randomly selected districts

Table 4.18: Distribution of Population and Quotas

	Population Size	Quota Assigned	1st Spot	2nd Spot	3rd Spot
Hong Kong Island					
Eastern	588 094	95	32	32	31
Central and Western	251 519	40	20	20	
Kowloon					
Yau Tsim Mong	307 878	50	25	25	
Kwun Tong	622 152	100	34	34	32
New Territories					
Tsuen Wan	304 637	49	24	25	
Kwai Tsing	511 167	82	27	27	28
Sub-total	2585447	416			

* 2011 Population Census - Fact Sheet for the Whole Territory of Hong Kong
<http://www.census2011.gov.hk/en/district-profiles/dcd-hk.html> Accessed on 13 June 2015

** Stage 2, based on the highly concentrated locations of CCTs in the randomly selected district, two or three spots have been selected from each district. For the **districts** of Eastern, Kwun Tong and Kwai Tsing, three spots were selected as they have a larger size of population; whereas, for the other three districts, two spots were selected given the smaller population size.

Table 4.19: Multiple-Stage Probability Sampling

		Stage 1	Stage 2
Periphery	Hong Kong		Each district
Selected district	18 districts	6 districts	2 spots
Sampling Method		Cluster Sampling	Random Sampling
Example		Yau Tsim Mong	25 sampling units/spot

***Stage 3:** For every five people, the fifth was chosen.

Table 4.20: Quota Allocation – Street-Intercept Survey Time Slots

No.	Districts	Spots of Survey	Weekday		Weekend		Total
			PM	Night	PM	Night	
1	Eastern	Yee Fung St. (Corner)	8	8	8	8	32
2	Eastern	Junction of Yee Shing St. and Yee Shun St.	8	8	8	8	32
3	Eastern	Junction of Yee Fung St. (End)	8	8	8	7	31
4	Central and Western	Junction of Queen's Rd. W. and Centre St.	5	5	5	5	20
5	Central and Western	Junction of High St. and Centre St.	5	5	5	5	20
6	Yau Tsim Mong	Junction of Shan Tung St. and Ladies Market	6	6	7	6	25
7	Yau Tsim Mong	Junction of Shan Tung St. and Portland St.	6	6	6	7	25
8	Kwun Tong	Junction of Hung To Rd. and Tsun Yip St.	8	8	9	9	34
9	Kwun Tong	Junction of How Ming St. and Tsun Yip St.	9	9	8	8	34
10	Kwun Tong	Junction of How Ming St. and Hung To Rd.	8	8	8	8	32
11	Tsuen Wan	Junction of Shiu Wo St. and Chung On St.	6	6	6	6	24
12	Tsuen Wan	Junction of Wo Tik St. and San Tsuen St.	6	6	7	6	25
13	Kwai Tsing	Junction of Shun Fong St. and Lai Fong St.	7	7	7	6	27
14	Kwai Tsing	Junction of Ko Fong St. and Shun Fong St.	7	7	6	7	27
15	Kwai Tsing	Junction of Shun Fong St. and Mei Fong St.	7	7	7	7	28
Total			104	104	104	104	416

Time: PM (2:30 – 4:30pm); Night (7:00 – 9:00pm)

Systematic sampling method was adopted for this research. For every five pedestrians near the hot spots of the CCTs, one person was invited to participate in the research. The profile of the respondent is presented in the next chapter.

4.4.3 Sample Size

According to Malhotra (2012), sample size is defined as the total number of target respondents covered in the research. Both qualitative and quantitative variables can be considered. Qualitative variables are made up of the total number of variables, the resource availability and sample size employed in the similar research; whereas, quantitative variables involve confidence level, population variability and precision level (Churchill and Iacobucci, 2010; Malhotra, 2012).

4.4.3.1 Qualitative Approach

The determination of qualitative variables is usually related to judgment, but not computation. Apart from the total number of variables and the sample size embraced in the similar study, a maximum limit set on sample is mainly due to the constraint of resources. Churchill and Iacobucci (2010) explain this limitation as strict monetary consideration and no theoretical implication exists for the sample size. Malhotra (2012) finds that if a great variety of variables are involved in the study, a large sample size can alleviate the cumulative influence of sampling error. Hair et al. (2003) suggested that in general, the ratio of independent variable and observation is 1:20. According to Iacobucci (2010), a sample size of 150 is sufficient enough to achieve a proper solution. Hoelter (1983) said that a critical sample size is about 200 observations for structural equation modelling (SEM).

Accordingly, Hair et al. (2002) suggest that SEM requires at least a sample size of 200 samples. Therefore, the sample size of this research needed to exceed 240 samples i.e. $12 \text{ independent variables} \times 20 = 240$. In this research, 384 sampling units were successfully chosen, excluding 32 samples for pilot testing.

4.4.3.2 Quantitative Approach

According to Malhotra (2012), and Churchill and Iacobucci (2010), researchers can use quantitative variables to compute the optimal sample size statistically by formula for an assumed confidence level or standard error, and precision level or relative allowable error, with the formula used as follows:

$$n = Z^2 \times (C^2/R^2)$$

where

n = sample size

Z = the z value associated with the confidence level

C = the coefficient of variation

R = precision level in percentage points

Assuming that the confidence level is 95%; the associated z value is 1.96; the study tolerates a 5% sampling error (R), and a maximum coefficient of variation (standard deviation divided by mean) is 0.50; the minimum sample size for this study should be 384 ($n = 1.96^2 \times (0.5^2/0.05^2)$), which is sufficient enough to cope with the SEM model.

4.4.3.3 Section Summary

In this research, the minimum number of target respondents was discussed. After discussing the definitions of qualitative and quantitative variables, this research study adopted a sample size of 384 with a 5% error, which is the industry standard for conducting similar research.

4.5 Data Collection

According to Babin and Zikmund. (2016), the purpose of survey is to develop quantitative elucidation of some characteristics of the examined population.

In this section, the processes of collecting data in the study are reported. Both pilot survey and main survey were adopted in this study. Firstly, a pilot survey study was conducted, and secondly, the main survey was described (Alreck and Settle 1995).

Pilot Survey

The pilot survey performs three specific functions: Firstly, we can ensure whether respondents understand the meaning of each item or statement. Secondly, we can assess whether the reliability for the scale of Ren and its dimensions were acceptable. Thirdly, we can avoid deleting many items when employing EFA at a later stage because of low communalities (Huitema, 2011).

A pilot survey is a mini-sized form of the major survey. Before the actual fieldwork was conducted, a pilot survey was held. The advantages of conducting a pilot survey are the following. Firstly, the experimental environment can be pretested through the pilot survey. Secondly, the optimal sample size can be calculated with the pilot survey results. Thirdly, the feedback of the respondents can improve the format and comprehension of the survey. Lastly, a pilot survey acts as a trial run for the actual experiment, enhancing the effectiveness of the real experiment in achieving its intended outcomes (Hair et al., 2013). In this study, 30 customers of CCT were invited to pre-test the questionnaire in the pilot study, which could evaluate the efficacy of the experiment. The pilot study could also help to identify the following important issues before the main survey. In the pilot survey of this study, no formal analysis was made due to the small sample size. Only wordings of the survey questions and timing of the survey were checked. After the pilot survey, no significant modifications were made.

Main Survey

The main survey was conducted between 23 June 2015 and 5 July 2015. Ten undergraduates were hired to be interviewers. In addition, a briefing and training session was delivered by the author to elucidate the specific objectives, processes and fieldwork operation of the research study. All interviewers had to wear a badge with their name and university logo clearly printed on it. Two interviewers form a team to conduct the survey. An incentive of a HKD 50 cash coupon was rewarded to each respondent who completed the questionnaire for the researcher. In addition, a letter of appreciation signed by the researcher was granted to the subject at the end of

the survey. The next section discusses about the data plan.

4.6 Data Analysis Tools

The data analysis tools depicted in this section are related to purifying measures, assessing reliability and validity, as well as developing the measures of Ren mentioned in Figure 4.2: adapted procedure for developing measures of Ren in this study.

This section first demonstrates an outline of the data analysis. Furthermore, the issues of reliability and validity are explained. Then, the processes of evaluating the model fit are discussed.

4.6.1 Outline of Data Analysis

In this thesis, the following three statistical packages were used for data input and analysis: the Statistical Package for Social Science (SPSS), Windows version 19 (Ebert, Hatch, Ampanozi, Thali, and Ross, 2012), the Analysis of Moment Structure (AMOS), Windows version 18.0 (Arbuckle, 2003) attached to the SPSS package for visualizing Structure Equation Modelling (SEM) and SmartPLS version 3.16 (Hair et al., 2014). The first software package performs well at dealing with a less sophisticated analysis, which normally includes one dependent factor. To achieve the intended effects, SPSS was adopted to handle basic analyses, such as one-way analysis of variance (ANOVA). The second software package is skilful at managing multiple relationships with independent and dependent factors. AMOS is used for advanced analyses, i.e., SEM. ANOVA was used to evaluate the manipulation check as thoroughly explained in section 4.1.6.2. The software SmartPLS was adopted given its functions to examine the interaction effect and quadratic effect of a structural model (Hair, et al., 2014).

According to Hair et al. (2011), AMOS is adopted for covariance-based SEM (CB-SEM) and SmartPLS partial least square SEM (PLS-SEM). AMOS is used for testing and confirming models, whereas, the latter is for predicting and developing theory. AMOS cannot perform either one or both of the above

functions (Hair, et al., 2014, p.31).

The study had a three-fold analysis: firstly, assess the data quality based on the analysis of the experiment efficacy and survey response rate. Secondly, validate the scales used in the study and develop the overall measurement model for Customer Ren Orientation and the SERVQUAL-P model (Reliability, Responsiveness, Personalization and Tangibles). Lastly, scrutinize the structural relationships between different elements in the suggested model.

4.6.2 Reliability and Validity

In this section, the essence of conducting reliability and validity tests is pinpointed, and various kinds of reliability and validity tests are discussed.

According to Churchill and Iacobucci (2010), researchers should not only look at the numerals, and use them to represent the genuine parameter of the construct. Instead, they should validate the reliability and validity of the statistical numerals before formulating the norm for the numerals. A reliable scale means that no measurement error exists in the collected data from the multi-item scale. Researchers also need to eliminate the systematic error, given that the occurrence of systematic error is the scale that may cause the observed score to deviate from the true score. A valid scale refers to the scale with the obtained score totally reflecting the true score. Therefore, reliability is only a necessary indicator, but is not sufficient to reflect the validity of the scale. In other words, reliability puts the stress on the characteristics of the times i.e. internal consistency; whereas, validity emphasizes the relationships between the multi-scale and other measures (Churchill and Iacobucci, 2010). Actually, reliability and validity are two important indicators of various causes of error in a multi-item scale. After discussing the importance of reliability and validity, different kinds of reliability and validity tests are explored in the next paragraphs.

Reliability

Reliability is one of the measurement standards adopted by researchers to

gauge the quality of results of the research (Cho, Schunn and Wilson, 2006). According to Churchill and Iacobucci (2010), reliability is a good indicator to evaluate that the scale is free from random measurement error. Cronbach (1951) suggested that three methods exist to measure the reliability of the scale, namely, test-retest, alternative form and internal consistency.

The test-retest reliability method refers to respondents presented with the same sets of scale items at two different times, and for each time, the conditions are kept unchanged (Weir, 2005; Churchill, 1979). The test-retest reliability method is difficult to implement because of the following: firstly, difficulty arises in inviting the same respondents to participate two same research undertakings at different periods of time. Secondly, the result is insensitive to the duration in between two testing. If the duration between the test and retest is too long, a possibility of genuine change of attitude of the respondents may occur. Thirdly, a carry-over effect may exist for the subsequent test. In other words, respondents attempt to give the recall the answer that they supplied the first time. Finally, the test-retest reliability co-efficient could be overstated by the correlation of each item.

The alternative form reliability method refers to using two comparable forms of measurement scales to assess the same situation. The effectiveness of the alternative form method depends on how similar the items of measurement scales are. However, few disadvantages exist with the alternative form reliability method. Firstly, it is both costly and arduous to create a comparable form of the scale. Secondly, implementing it is difficult given the required alternative sets of scale items to obtain the identical means, inter-correlations and variance. Thirdly, the dissimilar items in measurement scales may lead to low reliability (Cronbach, 1951).

Internal consistency refers to the following two measures: split-half reliability and coefficient alpha (α). Practically, the internal consistency method is more acceptable because it is characterized by one-time data collection in one single test. If the items of the measurement are highly correlated, a scale is treated as reliable (Cronbach, 1951).

The split-half reliability refers to splitting the scale items into two identical groups with respect to random selection of items or odd-numbered items and even-numbered items (Churchill, 1979). As a result, half scores of the two identical groups are correlated to calculate the reliability. If the two halves are highly correlated, high internal consistency is interpreted. The underlying assumption of the split-half reliability is the possibility of splitting the scale items into two identical groups for comparison. The key concern relates to the method of splitting the scale items.

Coefficient alpha (α) refers to the degree that the scale items assess the construct. Coefficient alpha varies from 0 to 1, which indicates variance percentage that the items in the scale represent. According to Churchill (1979), α equals or more than 0.7 is deemed satisfactory for the research. In this research, coefficient alpha was adopted to assess the level of reliability of the constructs.

Validity

Validity means the effectiveness of the scale in calculating the assumed measurement. According to Churchill (2010), an invalid measurement is useless given that the results of the study cannot contribute to the understanding of nature. Pedhazur and Schmelkin (1991) suggested that scores collected from the scale can make precise extrapolations if the scale is meaningful, useful and appropriate. According to Cronbach and Meehl (1955), validity can be categorized into the following four types: content validity, construct validity, concurrent validity and predictive validity.

Face Validity and Content Validity

Also named face validity, content validity refers to systemic assessment of how the scale's content denotes the measurement undertaking. The purpose is to evaluate the appropriateness and the sufficiency of the items in the core construct (Malhotra, 2012). Given that content validity is a subjective test, its exclusive use is insufficient to measure the validity of a scale. Nevertheless, it helps interpret the scores of the scale.

Construct Validity

Construct validity relates to the hypothetical relationship between the variables of the construct. Churchill (2010) and Cronbach and Meehl (1955) suggested that construct validity must relate to theoretical context, and to assess how effectively the empirical measurement performs given its supposition in the concept. If the scales used in the former study are well established, it implies that scales have achieved a sensibly good content validity (Bornstein, 2011). Construct validity is the most complex test to assess validity of a scale (Hair, Bush and Ortinau, 2000). Discriminant validity and convergent validity provide aids to discover the construct validity of the research measure.

Predictive Validity and Concurrent Validity

Predictive validity means the effectiveness of the scale, as a forecaster, to predict something occurs in the future; meanwhile, concurrent validity refers to the effectiveness of the scale, as a forecaster, to predict simultaneous occurrences (Churchill and Iacobucci, 2010). Although predictive validity and concurrent validity are known as criteria validity, both validities differ in terms of timeframe. Regardless of whether these validities relate to the future or present timeframes, these external criteria can represent some types of attitude or behaviour.

Discriminant Validity and Convergent Validity

To supply extra indication of construct validity, analysing the discriminant validity and convergent validity should be included (Zikmund, 1997). Both validities are also treated as the subtypes of construct validity (Kline, 1998).

Discriminant validity refers to the extent to which the measurements of different constructs are distinct (Bagozzi and Yi, 1991). In other words, discriminant validity explains that constructs measures in theory should not have any relationship with each other, and by observation, the construct measures should also have no relationship at all.

Meanwhile, convergent validity refers to the extent to which the measurements of multiple items of each construct are in agreement (Bagozzi and Yi, 1991). In other words, convergent validity in theory describes that construct measures should have a relationship with each other, and by observation, the construct measures should also have a relationship with each other (Malhotra, 2012). In fact, both validities work closely with each other. If both validities are acquired, in theory, confirmation of construct validity is ensured. Only one out of the two validities is insufficient to achieve construct validity.

4.6.3 Structural Equation Modelling (SEM)

In this section, the model fit is discussed.

With respect to model fit indices, goodness-of-fit (GFI) (Jöreskog and Sörbom, 1982), comparative fit index (CFI) (Bentler and Bonett, 1990), the root mean square error of approximation (RMSEA) (Browne and Cudeck, 1993) and standardized root mean square residual (SRMR) (Hu and Bentler, 1999) are commonly adopted with the following thresholds: $GFI > 0.9$, $CFI > 0.9$, $RMSEA < 0.08$, $SRMR < 0.08$ and $3 > X^2/df > 1$ (Hair et al., 2013; Diamantopoulos and Siguaw, 2000; Kline, 2005).

GFI

Goodness-of-fit index (GFI) is a common absolute fit measurement. The shortcomings of these measures include too many parameters in the empirical observations (Hair et al., 2013). GFI, which ranges from 0 (poor fit) to 1.0 (perfect fit), refers to the relative variance and covariance in a matrix of data. In general, GFI should be equal or greater than 0.9 (Hair et al., 2013; Diamantopoulos and Siguaw, 2000).

CFI

Comparative fit index (CFI) (Bentler and Bonett, 1980) is commonly used in incremental fit measures, which refer to evaluating the relative improvement in the model fit with a more sophisticated baseline model (Bollen, 2014). According to Tabachnick and Fidell (2007), CFI can also be a good index

when the sample size is insufficiently large. CFI is a norm fit index, and varies from 0 to 1.0, with a value above 0.9 being indicative of good fit (Hu and Bentler, 1995).

SRMR

Both standardized root mean square residual (SRMR) and root mean square residual (RMR) refer to the square root of the difference between the residuals of a fitted covariance and a sample covariance. According to Kline (2005), considering the value of RMR's extreme dependence on the scales adopted, explaining the value of RMR is difficult if varied levels of scales are used in the same questionnaire. However, SRMR is more meaningful in explaining the results (Hooper, Coughlan and Mullen, 2008). Should it be a good model, the value of fitted residuals would be small. An acceptable model fit comprises an SRMR value of smaller than 0.05 (Diamantopoulos et al., 2000). In general, the value of SRMR, which is equal to or lower than 0.08, is deemed acceptable (Hu and Bentler, 1995).

RMSEA

According to MacCallum, Browne and Sugawara (1996), the root mean square error of approximation (RMSEA) is useful in revealing the model fit by evaluating the population covariance matrix. RMSEA is an appropriate indicator of a model fit (Kelloway, 1998). Based on RMSEA, a model with a value of less than 0.05 indicates a good model fit. If the value is between 0.05 and 0.08, it is a reasonable fit. If the value is between 0.08 and 0.10, it is mediocre fit. If the value is >0.10, it is a poor fit (Diamantopoulos et al., 2000).

X²/df

Normed chi-square (*X²/df*) (Wheaton, Muthen, Alwin and Summer, 1977) is commonly adopted in parsimonious fit measures, which reveal the model fit by evaluating a large number of parameters of the model (Mulaik et al., 1989). An acceptable value of *X²/df* should be within the range of 1 to 3 (Diamantopoulos et al., 2000).

4.7 Chapter Summary

In this chapter, the design of the research study was explained in detail. A two-stage research design was used to collect relevant data: the qualitative research and the quantitative research. The former basically included focus group discussions and expert opinions; whereas, the latter included the following activities: quasi-experimental design, sampling, questionnaire design, data collection and scale development. The above two stages were discussed in detail. The methods of focus groups and expert opinions were chosen to gather data. The quasi-experimental design, sampling, questionnaire design, data collection and scale development were thoroughly explained. An adopted model for developing measures of Ren was fully explored. Three statistical packages adopted for data input and analysis were the Statistical Package for Social Science (SPSS), Windows version 19 (Ebert, Hatch, Ampanozi, Thali, and Ross, 2012), the Analysis of Moment Structure (AMOS), Windows version 18.0 (Arbuckle, 2003) attached to the SPSS package for visualizing Structure Equation Modelling (SEM) and SmartPLS version 3.16 (Hair et al., 2014) and they were clearly explained. Data analysis results from the study are depicted in Chapter Five.

Chapter 5 Data Analysis

After discussing the research methodology in Chapter Four, this chapter empirically tests the measurement model of Customer Ren Orientation and the structural model for the impact of Customer Ren Orientation on customer service experience. The models are evaluated using the data gathered from the quasi-experimental design study outlined in the previous chapter.

As mentioned in Chapter Four, a two-stage research design was adopted to gather relevant data using qualitative research and quantitative research. Sections 4.2 and 4.3 discussed the two-stage research design (see Figure 4.1). In the first stage, qualitative research included focus group discussions and expert opinions. In the second stage, quantitative research included the following activities: quasi-experimental design, sampling, questionnaire design, data collection and scale development (see Figure 4.1).

In Chapter Four, an adapted model for developing the measures of Customer Ren Orientation was used (Figure 4.2). Firstly, seven dimensions of Customer Ren Orientation were identified in the literature review. Secondly, an inventory of items of Customer Ren Orientation was developed through the literature review, which was merged with the results of the focus groups and expert opinions. Face validity of the scale was examined through the results of the focus group and expert opinion. Other validities will be examined later in this chapter. Thirdly, data were collected by survey. Fourthly, the measures of Customer Ren Orientation were purified through item analysis, Cronbach's alpha and exploratory factor analysis (EFA). Fifthly, reliability was assessed through Cronbach's alpha, split-half reliability and composite reliability. Lastly, various forms of validity for the Customer Ren Orientation scale were assessed: construct validity, discriminant validity, convergent validity and criterion validity.

The first section of this chapter describes the characteristics of the subjects of the street-intercept survey in detail. In the second section, the results of the survey, including the manipulation check, the reliability of the adopted scales

and the development of the Customer Ren Orientation scale are explored. In the third section, the structural model of the Customer Ren Orientation scale is elucidated. Finally, the summary of the results is presented.

5.1 Survey Responses

This section describes the response analysis and the demographic profile of the respondents. The representativeness of the sample, which has a large effect on the results of this research, is examined.

5.1.1 Response Analysis

Two criteria should be met by the respondents: they are at least 18 years old and they have previously patronised Cha Chann Teng (CCT). In this study, the sampling frame is the customers who dined at CCT before the survey. Thus, the sampling frame of this study was the neighbourhood of the districts where CCT branches are located. According to the Hong Kong District Board in 2014, there are 18 districts with different sizes of population (Census and Statistics Department, 2015). During the two-week period from 23 June 2015 to 5 July 2015, about 652 pedestrians were selected by systematic sampling and were requested to participate in the survey. A total of 384 respondents successfully completed the interview. The response rate was 60.4%. Table 5.1 provides a breakdown of the respondents from various districts in the survey.

Table 5.1: Summary of Survey Responses

District	Household Income	Approached	Accepted	Response Rate (%)
Central and Western District	High-High	63	40	58.1
Hong Kong Eastern District	High-Low	116	63	54.3
Tsuen Wan	Middle-High	81	49	60.3
Yau Tsim Mong	Middle-Low	92	50	62.3
Kwai Tsing	Low-High	128	82	64.2
Kwun Tong	Low-Low	172	100	63.4
Total		652	384	60.4

To assess if the response rate was acceptable, a comparison of the response rate of this study with those of other studies on Chinese values was made. An

outline of the administration methods and the response rates of prior research studies are summarised in Table 5.2.

Table 5.2: Comparison of Similar Survey Research Studies

Research	Sample Size	Types of Sample	Administration Method	Response Rate (%)
Yeh and Bedford (2003)	900	Students	Self-administered	74%
Carruth (1996)	303	Adults	Mail	49.5%
Umberson (1992)	3618	Not specified	Face to face interview	67%
Gentry et al. (1995)	587	Adults	Drop-off Call Back	50%
Gupta and Pilai (2002)	118	Adults	Mail	78.6%
Cheng (2008)	407	Adults	Street-Intercept	61.5%

As shown in Table 5.2, the administration method adopted by most studies was convenience sampling. Random sampling was found only in the studies of Umberson (1992) and Cheng (2008), with response rates of 67% and 61.5%, respectively. The response rates of various studies ranged from 50% to 78.6%. Therefore, the response rate of 60.4% of this study was deemed satisfactory for a survey of a similar type. According to Hoelter (1983), a critical sample size is approximately 200 observations for structural equation modelling (SEM). According to Hair et al. (2013), SEM requires at least a sample size of 200. In this study, 384 sampling units were successfully collected; therefore, the sample size was highly reasonable (Hair et al., 2013; Malhotra, 2012; Churchill and Iacobucci, 2010).

Table 5.1 shows that the response rates differed across various districts at 54.3% to 64.2%. The difference in response rates could be attributed to the gap in demographic profile in the above districts. On the one hand, as the residents of Yau Tsim Mong are in a comparatively lower income class, they tended to be more enthusiastic to take part in the survey because of the alluring incentive. On the other hand, the residents of Central and Western Districts are largely considered well-off middle-income class or upper-income class, they were not as attracted by the incentive to do the survey. The

difference in response rates between the two districts was small, and thus it is not a major concern of this survey.

As discussed in Chapter Four, three stages comprised the sample selection process. In Stage 1, a cluster sampling method was adopted to choose 18 districts to be encompassed in this study. Hong Kong is separated into 18 clusters based on the classification of districts by the Hong Kong District Board in 2014, excluding the outlying islands (Census and Statistics Department, 2015). Each district in Hong Kong can be classified as a cluster.

In Stage 2, 18 districts were ranked from highest income to lowest income. The 18 districts were reduced to six clustered districts based on economic characteristics, from high to low income clusters. One district was randomly selected from each cluster.

In Stage 3, two or three spots were selected from each district based on the highly concentrated locations of CCTs in the randomly selected district in Stage 2. For every five people, the fifth one was chosen. As discussed in Chapter Four, the time slots of conducting the survey during weekdays and weekends were from 2:30 PM to 4:30 PM and from 7:00 PM to 9:00 PM. These time slots were chosen so that helpers can refrain from interviewing during rush hours, such as lunchtime and right after work, to give the respondents more time to respond to the questionnaire (Cheng, 2008).

Table 5.1 indicates that many people coming from Kwun Tong (a Low-Low income area) seemed to be well-off respondents. This finding can be attributed to the survey area of Yue Man Fong in Kwun Tong, which is next to 'apm', a high-end shopping mall, and Millennium City, a high-end office in Kwun Tong. The respondents came from that area. Similarly, the respondents from Yau Tsim Mong (a Medium-Low income area) in this survey were quite well off, as this area is famous for its shopping attractions.

5.1.2 Characteristics of the Sample

Table 5.3 shows the profile of the survey respondents. The distribution of the respondents' characteristics can be considered generally representative. Table 5.4 compares the characteristics of this study's sample with those of the Hong Kong population.

In terms of gender, 40.6% of the respondents were male and 59.4% were female. In the Hong Kong population, 46.7% were male and 53.3% were female. Compared with the Hong Kong population, the research sample was more biased toward males. An assessment of the chi-square was made to check for any large discrepancy between the sample of the study and the Hong Kong population. Table 5.4 summarises the results of the chi-square analysis. According to the chi-square report, $\chi^2(1)$ is equal to 1.49, which is smaller than the critical value of 3.84 with $p=0.05$. Therefore, no significant difference was found between the sample of the study and the Hong Kong population in terms of gender.

In terms of age, 54.7% of the respondents were younger than 40 years old, and 45.3% were 40 years old or above. In the Hong Kong population, 37.9% were younger than 40 years old, and 62.1% were 40 years old or above. Compared with the Hong Kong population, the research sample was biased toward younger respondents. An assessment of the chi-square was made to check for any large discrepancy between the sample of the study and the Hong Kong population. According to the chi-square report, $\chi^2(5)$ is equal to 40, which is larger than the critical value of 11.07 with $p=0.05$. Therefore, a significant difference was found between the sample of the study and the Hong Kong population in terms of age. According to Keeter et al. (2006), older people are more likely to decline participating in surveys. Consistently, the results of the survey respondents tended to be biased toward younger respondents.

In terms of education, 60.7% of the respondents attained at least secondary school education level, and 39.3% attained undergraduate education level or above. In the Hong Kong population, 72.7% attained at least secondary school

education level, and 27.3% attained undergraduate education level or above. Compared with the Hong Kong population, the sample of the study was biased toward more educated respondents. According to the chi-square report, $X^2(2)$ is equal to 8.76, which is slightly greater than 5.99 with $p=0.05$. Therefore, a small, but statistically significant difference was found between the sample of the study and the Hong Kong population in terms of education. In the survey, a higher education level corresponded to a higher tendency of the respondents to respond to the survey (Nebot et al., 1994). There will be a tendency for the results of the survey to be slightly biased toward more educated people.

In terms of family income, 59% of the 384 respondents received less than HK\$30,000 per month, and 41% received HK\$30,000 per month or above. In the Hong Kong population, 64% of the respondents received less than HK\$30,000 per month, and 36% received HK\$30,000 per month or above. In terms of family income, the distribution of the research samples was comparable with that of the Hong Kong population. According to the chi-square report, $X^2(2)$ is equal to 4.61, which is less than 5.99 with $p=0.05$. Therefore, no significant difference was found between the sample of the study and the Hong Kong population in terms of family income.

Table 5.3: Profile of the Respondents (N=384)

Gender	N	%	Months of Patronage in the past	N	%
Male	156	40.6	1–24	166	43.2
Female	228	59.4	25 or above	218	56.8
Age	N	%	Times of Patronage during last week		
18–29	165	43	0–1	130	33.9
30–39	45	11.7	2 or above	254	66.1
40–49	62	16.1			
50–59	75	19.5			
60 or above	37	9.6			
Education	N	%	Friends with you in the last Patronage		
Primary School or below	54	14.1	No	173	45.1
Secondary School	179	46.6	Yes	211	54.9
Undergraduate or Higher Education	146	38.0			
Postgraduate or above	5	1.3			
Family Income	N	%			
HK\$9,999 or below	42	10.9			
HK\$10,000–HK\$29,999	135	35.2			
HK\$30,000–HK\$49,999	95	24.7			
HK\$50,000 or above	28	7.3			
No idea	84	21.0			

Table 5.4: Comparison of the Characteristics of the Sample with those of the Hong Kong Population (N=384)

	% of the Respondents (N=384)	% of the Hong Kong Population*	Df	Chi Square	*Significant at $\alpha=0.05$
Gender			1	1.49**	No
Male	40.6	46.7			
Female	59.4	53.3			
Age			5	40.0	Yes
18–29	43.0	19.3			
30–39	11.7	18.6			
40–49	16.1	20.4			
50–59	19.5	19.2			
60 or above	9.6	22.5			
Education			2	8.76	Yes
Primary School or below	14.1	22.7			
Secondary School	46.6	50			
Undergraduate, Higher Education or above	39.3	27.3			
Family Income			2	4.61	No
HK\$9,999 or below	14	23			
HK\$10,000 to HK\$29,999	45	41			
HK\$30,000 or above	41	36			

* Source: 2011 Population by Census Office, Census and Statistics Department

** Significant level:

Gender: $X^2(1) < 3.84$, $P=0.05$; Age: $X^2(5) > 11.07$, $P=0.05$; Education: $X^2(2) > 5.99$, $P=0.05$; Family Income: $X^2(2) < 5.99$, $P=0.05$

5.1.3 Representativeness of the Sample of the Study

In sum, no significant difference was observed between the respondents of the survey and the Hong Kong population in terms of gender and family income. However, a significant difference was observed between the respondents of the survey and the Hong Kong population in terms of age and education. In typical surveys, the higher the educational level of respondents is, the higher the tendency of the respondents to respond to the survey (Nebot et al., 1994). Therefore, the results of the respondents in the survey were biased toward the more educated people. In addition, older and less educated people were more likely to decline participating in the survey (Keeter et al., 2006) and explaining why the response rate in this survey was 60.4%, which would be mainly attributed to the non-response of older and less educated people. Overall, the distribution of the respondents' characteristics illustrated in Tables 5.3 and 5.4 show that the results were reasonable and that the sample of this study was generally representative.

5.2 Results of the Survey

The previous section discusses the survey responses. In this section, the survey results are presented to follow the roadmap of the adopted procedure for developing the measures of Customer Ren Orientation, as illustrated in Figure 4.2.

Firstly, the results of the manipulation check are explored. Secondly, the reliability of the adopted scales is presented. Thirdly, the development of the scale for Customer Ren Orientation is discussed.

5.2.1 Manipulation Check

As explained in Chapter Four, a quasi-experiment design was adopted to evaluate the influence of the different dimensions of Service Quality, which include reliability, responsiveness, personalisation and tangibles. The purpose of the design is to determine whether any essential gap exists among all six scenarios of Loyalty.

In this study, videos were recorded in the same CCT restaurant. Altogether,

six scenarios were recorded. Each video represented a unique scenario of Service Quality. Throughout the recording of the six scenarios, the actors were the same, acting the roles of the customer and the staff respectively and both actors have experience in acting. To ensure that the intended outcome from the quasi-experimental design was effective, a manipulation check was conducted to assess for any significant effect of the manipulation of the performance of the CCT staff on the Loyalty of the respondents in the future (Churchill, 1982). The three Loyalty variables of re-patronage, referral to other people and referral to relatives and friends were combined to form the single construct of Loyalty. The analysis of variance (ANOVA) was used to assess the results of the manipulation check. Table 5.51 shows the *F*-ratios of ANOVA for each variable of manipulation. All the *F*-values of the manipulation variables of reliability, responsiveness, personalisation and tangibles were large and significant at 0.05 levels.

The above results explain that the manipulation check was successful in affecting the construct of Loyalty. In other words, sufficient variation was observed among sampling units. Similarly, all four treatments were effective in terms of influencing the Loyalty. For example, in terms of tangibles, in Table 5.51, the significance level of the *F*-values indicates that the actual tidiness was manipulated as it was intended.

Table 5.51: Results of the Manipulation Check (N=384)

ANOVA						
Dependent variable: Loyalty	Sum of Squares	<i>df</i>	No. of Treatment Levels	Mean Square	<i>F</i> -value	Sign. at 5%
Responsiveness	963.16	2	3	481.58	36.17	.000
Reliability	782.04	1	2	782.04	76.86	.000
Personalisation	867.85	1	2	867.85	64.14	.000
Tangibles	338.94	1	2	338.94	22.73	.000

Remarks:

1. Dependent variable = Loyalty
2. Loyalty is a construct summing three variables of Loyalty.

Since there were three treatment levels for responsiveness, the mean difference values were calculated to check the variance of the three levels of responsiveness towards Loyalty. Tukey was used to assess the results of the mean difference values. Table 5.52 shows the mean difference value of Tukey from one level to another of responsiveness. The manipulation is still valid as level 0 against 1 and 2 are significant. Since level 1 against level 2 is not significant, levels 1 and 2 can be combined. As a result, there are two levels of responsiveness. The above results explain that the manipulation check was successful in affecting the construct of Loyalty. In other words, sufficient variation was observed among different levels of responsiveness. Similarly, two levels of responsiveness were effective in terms of influencing the Loyalty.

Table 5.52 Results of Mean Difference Values of Responsiveness towards Loyalty

Tukey		
Level	Mean Difference	Sign. at 5%
0-1	3.54675	.000
0-2	3.12636	.000
1-2	-0.42039	.627

5.2.2 Reliability of the Adopted Scales

As the reliability of the adopted scales is relatively simpler to determine than that of Customer Ren Orientation, it is discussed prior to the reliability of Customer Ren Orientation in this chapter. Reliability is one of the measurement standards adopted by researchers to gauge the quality of results (Cho, Schunn and Wilson, 2006). According to Churchill and Iacobucci (2010), reliability is a good indicator to evaluate if a scale is free from random measurement error. Cronbach (1951) suggested internal consistency methods to measure the reliability of a scale.

Internal consistency refers to two measures: split-half reliability and coefficient alpha (α). Practically, the internal consistency method is more acceptable as it is characterised by collecting data only once in a single test. If the items of the measurement are highly correlated, a scale is considered reliable (Cronbach, 1951).

Split-half reliability refers to splitting the scale items into two identical groups in terms of random selection of items or odd numbered items and even numbered items. As a result, half scores of the two identical groups are correlated to calculate reliability. If the two halves are highly correlated, high internal consistency is interpreted. The underlying assumption of split-half reliability is that scale items can be split into two identical groups for comparison. The main concern relates to the method of splitting the scale items. For adopted scales, normally reporting split-half reliability is unnecessary. Therefore, only Cronbach's alpha of the adopted scales is reported in this study.

Cronbach's alpha (α) refers to the degree that the scale items assess the construct. Cronbach's alpha varies from 0 to 1, which indicates variance percentage that the items in the scale represent. According to Churchill (1979), when α equals or is greater than 0.7, it is deemed satisfactory for research. In the current study, Cronbach's alpha was adopted to assess the level of reliability of the adopted constructs.

Before testing the proposed model and its hypotheses, examining the reliability of the results of all adopted constructs is essential. This study utilised four constructs, namely, Harmony, Business Relationship, Service Quality and Loyalty, which were adopted from other well-established scales in the marketing literature. In this section, the reliability of each adopted construct is discussed. Table 5.6 presents the results of the reliability of the adopted scales and are reported as follows.

Harmony

The construct of Harmony was adopted from Chow (2004). As shown in Table 5.6, Harmony comprises 25 items and 5 dimensions, namely, Enriching, Leading, Bridging, Synchronising and Imitation. The reliabilities of each dimension are 0.85, 0.85, 0.90, 0.87 and 0.88, respectively. This scale has a reliability of 0.93, which is satisfactory for research as suggested by Churchill (1979). As Chow (2004) is the first and only scholar who conducted an empirical study on the topic of Harmony, we adopted Chow's (2004) scale.

Business Relationship

Business Relationship is a mature construct adopted from Yau et al. (1999). As indicated in Table 5.6, Business Relationship comprises 15 items and 4 dimensions, namely, Trust, Bonding, Empathy and Reciprocity. The reliabilities of each dimension are 0.92, 0.86, 0.93 and 0.89, respectively. The scale has a reliability of 0.9, which is satisfactory for research as suggested by Churchill (1979).

Service Quality

Table 5.6 presents the scale for Service Quality adopted from Mittal et al. (1996). Service Quality has 16 items and 4 dimensions, namely, Reliability, Responsiveness, Personalisation and Tangibles. The reliabilities of each dimension are 0.90, 0.90, 0.95 and 0.83, respectively. The scale has a reliability of 0.910, which is satisfactory for research as suggested by Churchill (1979).

Loyalty

Loyalty is a mature construct. A Loyalty scale with three items was adopted from Kwong (2006). Its reliability is 0.80, which is satisfactory for research as suggested by Churchill (1979).

Table 5.6 summarises the coefficients of all the adopted constructs. The Cronbach's Alphas (α) of Harmony, Business Relationship, Service Quality and Loyalty are 0.93, 0.90, 0.91 and 0.80, respectively, and the reliability coefficients of all adopted constructs are sufficient as all of them are greater than 0.7 (Churchill, 1979). As a result, all adopted constructs are deemed reliable.

Table 5.6: Cronbach's Alpha (α) and Item-to-Total Correlations of the Adopted Scales

Adopted Construct	Cronbach's Alpha (α)	Dimension	No. of Items	Reliability of Each Dimension
Harmony	0.93			
		Enriching	5	0.85
		Leading	5	0.85
		Bridging	5	0.90
		Synchronising	5	0.87
		Imitation	5	0.88
Business Relationship	0.90			
		Trust	4	0.92
		Bond	4	0.86
		Empathy	4	0.93
		Reciprocity	3	0.89
Service Quality	0.91			
		Responsiveness	4	0.90
		Reliability	4	0.90
		Personalisation	4	0.95
		Tangibles	4	0.83
Loyalty	0.80	NA		

5.2.3 Development of the Scale for Customer Ren Orientation

The manipulation check and the reliability of the adopted scales were discussed previously. This section discusses the Customer Ren Orientation Scale based on the roadmap of Figure 4.2, which comprises the following seven stages. As Stages 1 to 3 were mentioned in Chapters Two to Four, they will be reported in detail in this section.

- Stage 1: Specifying the domain construct
- Stage 2: Generating the sample of items
- Stage 3: Collecting the data
- Stage 4: Purifying the measures
- Stage 5: Assessing the reliability
- Stage 6: Assessing the validity
- Stage 7: Developing the measures of Customer Ren Orientation

Stage 1: Specifying the Domain Construct

In the first stage of developing the measures of Customer Ren Orientation in this study, extant literature search was conducted as suggested by Churchill (1979), Yau (1994) and DeVellis (2003) (see Figure 4.2). The literature review on the specification of the construct of Customer Ren Orientation is found in Chapters Two and Three. Based on the extant literature, seven dimensions of Customer Ren Orientation were proposed, namely, Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, Adherence to Rationality, Preference for the Status Quo, Moving Forward and Moving Backward.

Stage 2: Generating the Sample of Items

In the second stage, a sample of items was generated by various methods suggested by academic scholars, such as literature search (Churchill, 1979; Yau, 1994), focus groups (Churchill, 1979; Yau, 1994), scree test to determine critical incidents (Yau, 1994), expert opinions (Churchill, 1979; Yau, 1994; DeVellis, 2003) and quasi-experimental survey (Yau, 1994). Only focus group, scree test and expert opinions are described briefly in this section as literature

search was previously explored in Chapters Two and Three, and quasi-experimental survey was thoroughly discussed in Chapter Four.

A. Focus Group

In this study, the participants were referred by personal networks and were not paid. All the participants had experienced dining out in Hong Kong. As shown in Table 4.1, among the four focus groups, the average group size was approximately eight respondents in each group. Each group was composed of homogenous members to enhance the interaction among members and the effectiveness and atmosphere of the discussions (Malhotra, 2012).

All four focus groups in the study were facilitated by the author to ensure the impartiality and consistency of the results. The facilitator appropriately used the words '*well done*', '*good job*' or '*fantastic*' to motivate participants to express their views more actively. Each group discussion took approximately two hours. Overall, many useful insights were presented in the focus group discussions.

B. Scree Test

Based on the scree test, only seven items were selected and included in the first dimension of the scale for Customer Ren Orientation. All items generated from the focus group discussion were verified against the literature review in Chapter Two. Similarly, other items generated for other dimensions were conducted in a similar manner. Figure 4.1 presents the items of each dimension and their respective bar charts.

C. Expert Opinions

After the expert panel went through the above procedures, the total number of items decreased from 37 to 31. The remaining items were adopted in the questionnaire.

Stage 3: Collecting Data

In this stage, data were collected through a street-intercept survey, which was discussed in Chapter Four (see Figure 4.2).

Stage 4: Purifying Measure

After collecting data from the street-intercept survey in Stage 3, the measure was purified through the following methods. These methods are discussed in the following subsections (see Figure 4.1).

- A. Item analysis,
- B. Cronbach's alpha
- C. EFA

A. Item Analysis

Yau (1994) suggested using t-test for item analysis as an advanced method of selecting items for scale development. Firstly, the scores of the respondents of the sample are arranged from high to low. Then, the sample is divided into four quartiles based on the descending order of the scores. The group with the highest 25% of the scores is called the first quartile, and the group with the lowest 25% of scores is called the fourth quartile. On each item, the scores of the first quartile are compared with those of the fourth one. If the difference between the scores of the two groups is significant (t-value is significant at 0.05 level), this item will be chosen and kept. Otherwise, the item will be considered insignificant and will be removed. In other words, if the difference in the scores of an item between the two groups cannot be recognised, then the item will be removed. Table 5.7 shows a summary of the item-by-item statistics. Altogether, 31 items were included. The t-values of 29 items were significant at the 0.05 level. However, the t-values of the two items were not significant as they were 0.93 (r4) and 0.25 (r26), respectively, which were greater than 0.05. Therefore, these two items were discarded, and the remaining items were kept for subsequent testing.

Table 5.7: T-tests for Item Selection

	Mean				
Item	Lower Quartile	Upper Quartile	t-value	df	Sig. at p< 0.05
r1	2.67	5.45	-29.38	159.56	0.00
r2	2.23	5.21	-34.35	146.48	0.00
r3	2.28	5.13	-34.21	147.32	0.00
r4	1.73	4.77	-36.98	190	0.93*
r5	1.76	5.09	-39.75	157.27	0.00
r6	1.93	5.48	-36.318	155.81	0.00
r7	2.54	5.23	-33.397	158.31	0.00
r8	3.21	5.55	-24.25	157.53	0.00
r9	2.95	5.4	-23.79	147.07	0.00
r11	2.77	5.4	-26.64	152.24	0.00
r12	2.96	5.9	-32.19	118.19	0.00
r13	3.26	5.9	-30.34	119.58	0.00
r14	3.14	5.82	-29.4	133.52	0.00
r15	3.65	6	-37.21	94	0.00
r16	3.37	5.61	-25.62	168.07	0.00
r17	3.13	5.47	-26.21	167.84	0.00
r18	2.84	5.32	-37.54	190	0.00
r19	3.47	5.7	-26.91	166.77	0.00
r20	3.45	5.45	-23.07	172.51	0.00
r21	3.21	5.32	-24.17	162	0.00
r22	3.31	5.37	-23.36	165.03	0.00
r23	3.21	5.38	-22.69	155.2	0.00
r25	2.54	5.52	-34.95	174.88	0.00
r26	2.69	5.45	-35.79	190	0.25*
r27	3.02	5.62	-25.33	146.72	0.00
r28	3.02	5.6	-26.84	155.95	0.00
r29	2.07	5.33	-36	158.3	0.00
r30	3.07	5.66	-28.15	157.24	0.00
r31	3.31	5.75	-29.03	156.25	0.00
r32	3.08	5.75	-30.89	153.12	0.00
r33	1.92	5.53	-38.02	159.93	0.00

*Not significant at $\alpha > 0.05$

B. Cronbach's Alpha

Cronbach's alpha (α) refers to the degree that the scale items assess the construct. Cronbach's alpha varies from 0 to 1, which indicates the variance percentage that the items in the scale represent. According to Churchill (1979), an α that is equal to or is greater than 0.7 is satisfactory for the research. In this study, Cronbach's alpha was adopted to assess the level of reliability of the construct of Customer Ren Orientation and its dimensions. Table 5.9 shows that the Cronbach's alpha of Customer Ren Orientation is 0.92 and that of its seven dimensions ranges from 0.75 to 0.88. Therefore, the scale of Customer Ren Orientation appears to be satisfactory, as the Cronbach's alpha of the scale and its dimensions are greater than 0.7. Since the item-to-total correlations of r19 and r33 were below than the recommended level of 0.40 suggested by Robinson, Shaver and Wrightsman (1991), and also an improvement of Cronbach's alpha of their dimensions increasing to 0.786 and 0.878 respectively, when they were deleted, it was decided to delete both r19 and r33.

Therefore, these two items were discarded, and the other items were kept for later testing.

C. EFA

To understand the essential dimensions of Customer Ren Orientation mentioned in Chapter Three, estimating the dimensionality of the Customer Ren Orientation scale is necessary because the dimensions of Customer Ren Orientation lack empirical testing.

According to Churchill (1999), EFA is conducted for further data reduction and explanation after selecting the data through item analysis. In this study, the main purposes of EFA were to lessen the number of items to a reasonable size (Gerbing and Anderson, 1988) and to identify the appropriate dimensions of the Scale of Customer Ren Orientation (Churchill, 1999). For the variance criterion, only dimensions with the percentage of variance greater than 5 were

kept, and the others were discarded (Hair et al., 2013). As the loading of three items, r5, r6 and r7, was less than 0.5, these three items were discarded.

The measure of Customer Ren Orientation comprises 22 items. As mentioned in Chapter Three, a set of seven dimensions was adopted. According to the results of the variance percentage, the loadings of all seven dimensions were greater than 0.5. Aside from the seven-factor structure, two more options for EFA were performed, namely, the six-factor and eight-factor structures. For the six-factor and eight-factor structures, the results indicated many items with cross loadings (see Appendixes 4.3 and 4.4 respectively). For the six-factor structure, two dimensions were combined. For the eight-factor structure, a dimension was divided into two. However, the seven-factor structure showed that all factor loadings were above 0.5 without cross-loading. Therefore, the seven-factor structure seemed to perform better than the other two structures, and it clearly indicated the original theoretical dimensions. In summary, according to the eigenvalues and the percentage of variance, the seven-factor structure was the ideal solution to represent Customer Ren Orientation. Table 5.8 shows the factor loadings for Customer Ren Orientation, and Table 5.9 presents the item-to-total correlations for Customer Ren Orientation, eigenvalues and percentage of variance explained by each dimension.

Table 5.8: Factor Loadings for Customer Ren Orientation

Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
r20	.527						
r21	.712						
r22	.836						
r23	.821						
r8		.779					
r9		.765					
r11		.725					
r30			.839				
r31			.769				
r32			.832				
r16				.698			
r17				.796			
r18				.756			
r27					.829		
r28					.805		
r29					.739		
r1						.602	
r2						.824	
r3						.837	
r12							.849
r13							.835
r15							.536

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalisation.

a. Rotation converged in 7 iterations. * All Factor loadings > 0.5.

Total variance explained: 69.66%; KMO measure of sampling adequacy: 0.88

Bartlett's test of sphericity: $X^2=4391.29$, $p<0.1$, $df=231$

Table 5.9: Item-to-Total Correlations for Customer Ren Orientation

Dimensions	Item-to-Total Co-rrelations**
Customer Ren Orientation (N=384): Cronbach's alpha =0.92 Split-half reliability: Subsample 1= 0.85 (N=192); Subsample 2 = 0.86 (N=192)	
Acceptance of Dissimilarity in Personality (Explained 8.25% of variance*, Cronbach's alpha =0.81, Composite Reliability =0.82)	
r1 I can work with other people that have different characters.	0.58
r2 I can bear other people who have extreme characters.	0.74
r3 I can stand stubborn people.	0.69
Accommodating with Varied Opinion (Explained 11.33% of variance*, Cronbach's alpha =0.81, Composite Reliability=0.82)	
r8 I can accept other people's different opinions.	0.71
r9 I can accept other people's complaints.	0.69
r11 I can accept other people's opposite opinions.	0.61
Observation of Role Order (Explained 6.95% of variance*, Cronbach's alpha =0.75, Composite Reliability =0.75)	
r12 I can accept that brothers working together cooperatively can succeed easily.	0.64
r13 I can accept the hierarchy between father and son.	0.69
r15 I can accept that friends need to be loyal to one another.	0.45
Adherence to Rationality (Explained 9.41% of variance*, Cronbach's alpha=0.79, Composite Reliability=0.79)	
r16 At work, I expect myself to be impartial.	0.57
r17 At work, I can maintain peaceful emotions.	0.68
r18 At work, I try not to be too subjective.	0.63
Preference for the Status Quo (Explained 13.99% of variance*, Cronbach's alpha =0.85, Composite Reliability =0.85)	
r20 I will not take reckless action without trying hard to understand myself and others fully.	0.61
r21 At work, I will not take reckless action without sufficient practice.	0.69

Table 5.9: Item-to-Total Correlations for Customer Ren Orientation
(Cont'd)

Dimensions	Item-to-Total Co-rrelations**
Customer Ren Orientation (N=384): Cronbach's alpha =0.92 Split-half reliability: Subsample 1= 0.85 (N=192); Subsample 2 = 0.86 (N=192)	
r22 I will think deeply and plan thoroughly when faced with difficulties.	0.75
r23 I will not take reckless action to maintain my core competence when faced with difficulties.	0.72
Moving Forward (Explained 8.93% of variance*, Cronbach's alpha=0.77, Composite Reliability=0.76)	
r27 At work, I act boldly to move forward as I believe everything will be alright in the end.	0.69
r28 At work, I act boldly to move forward as I believe every cloud has a silver lining.	0.72
r29 Sometimes, I allow myself to move forward without hesitation.	0.45
Moving Backward (Explained 10.81% of variance*, Cronbach's alpha=0.88, Composite Reliability=0.88)	
r30 If I allow myself to take a step backward now, I will achieve the state of a brighter future later.	0.73
r31 I believe that small things must be endured; otherwise, they will cause chaos in big things.	0.76
r32 At work, I sometimes allow myself to fall back to attain peace.	0.82

* Percentage of variance explained after Varimax rotation.

** All Item-to-Total > 0.4

Table 5.8 shows the KMO measure of sampling adequacy, Bartlett's test of sphericity and factor loadings of Customer Ren Orientation. For simplicity, only the loading values above 0.5 are shown. Bartlett's test of sphericity was $p=0.00$, which indicates that all the items were correlated significantly in a correlation matrix. The seven-factor solution of Customer Ren Orientation attained a high value of KMO measure of sampling adequacy at 0.88, as the recommended KMO value is 0.6 or higher (Wymer and Alves, 2012). Both values indicated the suitability and sampling adequacy of the seven-factor Customer Ren Orientation model. The factor loadings of all the items of the model were high, ranging from 0.55 to 0.84, as a factor loading of 0.5 is considered desirable and significant at the 0.05 level (Hair et al., 2013). Overall, the factor loadings indicate that the correlation between the corresponding dimensions and items is high.

The configuration of these factor loadings maintained the operationalisation of Customer Ren Orientation by 22 items and the seven-factor structure. The measurement of Customer Ren Orientation received empirical support from EFA.

Therefore, EFA also confirmed a seven-dimension structure that served as the original planned schema. These dimensions are Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, Adherence to Rationality, Preference for the Status Quo, Moving Forward and Moving Backward.

In sum, the seven-dimension structure with 22 items of Customer Ren Orientation was tentatively obtained by EFA, as the factor loadings of all the items of the model were high at 0.55 to 0.84; a factor loading of 0.5 is desirable and significant at the 0.05 level (Hair et al., 2013). The seven-dimension structure is to be confirmed statistically by CFA which will be discussed later in this chapter. After following the correct procedure according to Figure 4.2, the total number of items in each dimension was approximately three or four, which is acceptable and robust (Bollen, 2014; Kline, 2005; Wymer and Alves, 2012).

Stage 5: Assessing Reliability

The purification of the measure was discussed in the previous stage. In this stage, the following methods are discussed to assess the reliability of the Customer Ren Orientation scale (see Figure 4.2):

- A. Cronbach's alpha
- B. Split-half reliability
- C. Composite reliability

In this section, Cronbach's alpha, split-half reliability, composite reliability and item-to-total correlation reliability are discussed one by one.

A. Cronbach's Alpha

Cronbach's alpha was previously discussed in Stage 4. In this study, SPSS version 19 was adopted to analyse the Cronbach's alpha, which is considered satisfactory if the values are higher than 0.7 (Churchill, 1979). The scale reliability of Customer Ren Orientation is shown in Table 5.9.

The Cronbach's alpha of Customer Ren Orientation for the full sample is 0.92 (Table 5.9), which is well above the minimally acceptable level of 0.7 suggested by Churchill (1979). Therefore, the Customer Ren Orientation scale has good reliability.

In this study, the Cronbach's alphas for the seven dimensions were high (Nunnally, 1978), ranging from 0.75 to 0.88, which is far above the acceptable level of 0.7 (Table 5.8).

B. Split-half Reliability

Split-half reliability was also used to assess the reliability of the Customer Ren Orientation scale. Table 5.9 shows that the split-half reliability for the sub-samples of Customer Ren Orientation was 0.85 and 0.86 for sub-sample 1 and sub-sample 2, respectively. These values are greater than the satisfactory level of 0.7 (Churchill, 1979).

C. Composite Reliability

Composite reliability was adopted to assess the scale. As demonstrated in Table 5.9, the composite reliability for the items across the seven dimensions of Customer Ren Orientation was high at 0.75 to 0.88. The value is higher than the recommended level of 0.7 suggested by (Nunnally, 1978).

D. Item-to-total Correlation Reliability

Apart from the suggested methods in Figure 4.2, item-to-total correction reliability was used to assess the scale of Customer Ren Orientation. As presented in Table 5.9, the item-to-total correlation reliability for the items across seven measures of Customer Ren Orientation was high at 0.45 to 0.82, which is greater than the recommended level of 0.40 suggested by Robinson, Shaver and Wrightsman (1991). Two items, r14 (0.338) and r25 (0.395), were deleted because their loading was less than 0.40.

In sum, the reliability of the Customer Ren Orientation scale was considered satisfactory as the values of various reliability tests, such as Cronbach's alpha, split-half reliability and composite reliability, were greater than 0.7 (Churchill, 1979), and the item-to-total correlation reliability was greater than 0.4 (Robison, Shaver and Wrightsman, 1991).

Table 5.10 shows the results of the reduction of items in the stages of purifying the measure and assessing the reliability by item analysis, Cronbach's alpha, EFA and item-to-total correlation reliability. The total items decreased from 31 to 22 items. The following stage assesses the validity of Customer Ren Orientation.

Table 5.10: Reduction of Items Using Various Research Methods

Research Methods	Items reduced
Item Analysis	2 items
Cronbach's Alpha	2 items
EFA	3 items
Item-to-total Correlation Reliability	2 items

Stage 6: Assessing Validity

The previous section discussed the reliability of the Customer Ren Orientation scale. In this section, the following forms of validity for the Customer Ren Orientation are explained:

- A. Construct validity
- B. Discriminant validity
- C. Convergent validity
- D. Criterion validity
- E. Robustness of the scale

This step is conducted to ensure the validity of the Customer Ren Orientation scale (see Figure 4.2).

In the subsequent subsections, construct validity is discussed first, followed by discriminant validity, convergent validity and criterion validity. The final subsection explores the cross-sample validation.

A. Construct Validity

Construct validity determines the hypothetical relationship among the variables of the construct. According to Churchill (2010), and Cronbach and Meehl (1955), construct validity relates to theoretical context and assesses how effectively the empirical measurement performs in relation to its conceptualization. CFA is a commonly used testing model to confirm the pre-specified relationship of the construct validity of a model (Bagozzi and Philips, 1991; Bagozzi, 1994)). In this study, CFA was adopted through

AMOS version 18 to assess the Customer Ren Orientation scale (MacCallum, Browne and Sugawara, 1996). For CFA, I have used half sample analysis. In order to assess the construct validity of Customer Ren Orientation, CFA was adopted. Since the same sample was used for development and validation, the sample was split into two which were cross-checked if the factor structure and loadings were invariant. This will be reported in Section E of Stage 6: Assessing Validity. Both cross-sample validation and bootstrapping were conducted and the results show that the robustness of the Customer Ren Orientation scale is ensured.

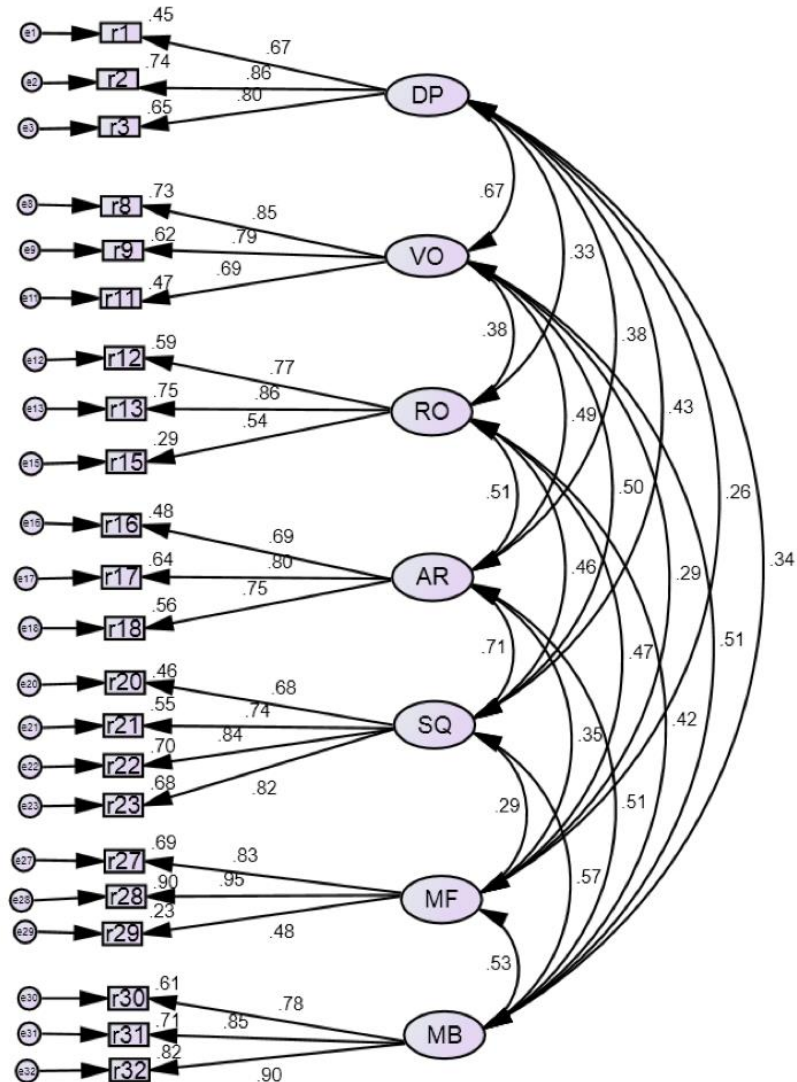
On the other hand, I did not use half sample analysis for EFA but for CFA only as EFA was used to examine the dimensions of the structure of RO and the results of this will be confirmed in the CFA. Wyer and Baptista (2012) argue that if there is no change with the results of EFA, a new sample for analysis may not be necessary. Along the same line, in various quantitative studies conducted by scholars such as Yau (1994), Yau and Chow (2002) Cheng and Yau (2006) have confirmed that only one sample is used for analysis especially conforming to Wyer and Baptista (2012) and with the introduction of expert opinion panel in this study, the results are considered to be acceptable.

Confirmatory Factor Analysis: According to Diamantopoulos and Siguaw (2000), a model considered to be a good fit to the data should have goodness-of-fit index (GFI) and comparative fit index (CFI) values that are greater than 0.9. Moreover, the value of the root mean square error of approximation (RMSEA) and standardised root mean square residual (SRMR) should be lower than 0.08, and the value of X^2/df should be within the range of 1 to 3.

Figure 5.1 shows the GFI indices of the first-order CFA measurement model of Customer Ren Orientation. Table 5.11 presents the values GFI and CFI of 0.91 and 0.947, respectively, the error indices of RMSEA and SRMR of 0.056 and 0.05, respectively, and the value of X^2/df of 2.193 at a significance level of 0.01. All the GFIs were above the recommended level of 0.9, the error

indices were low, and the normed chi-square was within the threshold of 1 and 3. Therefore, the first-order CFA measurement model is considered satisfactory.

Figure 5.1: First-order Measurement Model of Customer Ren Orientation



Chi Square=412.201 Df=188 p=.000

Normed Chi Square=2.193

GFI=.910 CFI=.947 NFI=.908

RMSEA=.056 SRMR=.05

Legend: DP - Acceptance of Dissimilarity in Personality, VO - Accommodating with Varied Opinion, RO - Observation of Role Order, AR - Adherence to Rationality, SQ - Preference for the Status Quo, MF - Moving Forward, MB - Moving Backward.

Table 5.11: First-order CFA Measurement Model

Goodness-of-fit Measures	Customer Ren Orientation (first order)	Levels of Acceptance Fit
GFI	.91	>.90
CFI	.947	>.90
RMSEA	.056	< .08
SRMR	.05	< .08
X^2	412.201	-
df	188	-
X^2/df	2.193	$3 > x > 1$
P	.000	> .05

Legend:

GFI: Goodness-of-fit index

CFI: Comparative fit index

RMSEA: Root mean square error of approximation

SRMR: Standardised root mean square residual

X^2 : Likelihood-ratio chi-square

df : Degree of freedom

X^2/df : Normed chi-square

Table 5.12: Parameter Estimates for the First-order Measurement Model of Customer Ren Orientation

	Parameter Estimates: Standardised Regression Weights
r1 ← Acceptance of Dissimilarity in Personality	0.67*
r2 ← Acceptance of Dissimilarity in Personality	0.86
r3 ← Acceptance of Dissimilarity in Personality	0.80
r8 ← Accommodating with Varied Opinion	0.85
r9 ← Accommodating with Varied Opinion	0.79
r11 ← Accommodating with Varied Opinion	0.69
r12 ← Observation of Role Order	0.77
r13 ← Observation of Role Order	0.86
r15 ← Observation of Role Order	0.54
r16 ← Adherence to Rationality	0.69
r17 ← Adherence to Rationality	0.80
r18 ← Adherence to Rationality	0.75
r20 ← Preference for the Status Quo	0.68
r21 ← Preference for the Status Quo	0.74
r22 ← Preference for the Status Quo	0.84
r23 ← Preference for the Status Quo	0.82
r27 ← Moving Forward	0.83
r28 ← Moving Forward	0.95
r29 ← Moving Forward	0.48
r30 ← Moving Backward	0.78
r31 ← Moving Backward	0.85
r32 ← Moving Backward	0.90

*All significant at p=0.001

To further indicate construct validity, analysis of discriminant validity and convergent validity should be conducted (Zikmund, 1997). If both validities are acquired, confirmation of construct validity is ensured in theory. Only one out of the two validities is insufficient to achieve construct validity. In fact, both validities work closely with each other. Both validities are also treated as the subtypes of construct validity (Kline, 1998). These validities will be discussed individually.

B. Discriminant Validity

Discriminant validity indicates that the dimensions of a construct in theory should not have any relationship with each other. Also, the dimensions of a construct should also have no relationship at all by observation. In this study, three methods were used to test the discriminant validity:

- i. Fornell and Larcker Criterion
- ii. Comparing Constraint and Unconstrained Measurement Models
- iii. Multitrait–Multimethod Matrix

i. Fornell and Larcker Criterion: The Fornell and Larcker criterion is a technique that evaluates the discriminant validity of the dimensions of a construct (Fornell and Larcker, 1981). Farrell (2010) suggests that the Fornell and Larcker criterion is the best method to assess discriminant validity. When adopting the Fornell and Larcker criterion, the average variance extracted (AVE) of each dimension is compared with the shared variance among dimensions. If the AVE for each dimension is larger than its shared variance with any other dimension, the discriminant validity is supported. As shown in Table 5.13, the AVE of each dimension is located on the diagonal of the matrix, and the off-diagonal cells are shared variances with other dimensions. Adherence to Rationality is the first dimension in the table. It has an AVE of 0.74, which is greater than the shared variances across other dimensions except 0.75, a shared variance with the dimension of Status Quo. However, as 0.74 is close to 0.75, the difference is insignificant.

The dimension of Acceptance of Dissimilarity in Personality has an AVE of 0.77, which is greater than all shared variances across other dimensions. This

result is consistent with the Fornell and Larcker criterion. The same applies to all the other dimensions. Therefore, based on Fornell and Larcker criterion, all dimensions have discriminant validity among themselves, as all the shared variances within the same dimensions were significant at the 0.01 level. Therefore, the discriminant validity of the Customer Ren Orientation scale is supported in this study because the AVE for each dimension is greater than its shared variance with any other dimension.

Table 5.13: Fornell and Larcker Criterion for Discriminant Analysis

	Adherence to Rationality	Acceptance of Dissimilarity in Personality	Accommodating with Varied Opinion	Preference for the Status Quo	Moving Backward	Observation of Role Order	Moving Forward
Adherence to Rationality	0.742						
Acceptance of Dissimilarity in Personality	0.383	0.772					
Accommodating with Varied Opinion	0.497	0.727	0.779				
Preference for the Status Quo	0.750	0.464	0.543	0.766			
Moving Backward	0.530	0.358	0.501	0.593	0.843		
Observation of Role Order	0.588	0.372	0.458	0.522	0.459	0.706	
Moving forward	0.452	0.351	0.401	0.412	0.573	0.598	0.716

*All correlations are significant at the 0.01 level.

ii. Comparing Constraint and Unconstrained Measurement Models:

Comparing Constraint and Unconstrained Measurement Models, also called the Paired Constructs Test, compares the parameter estimate of two measurement models, the constrained model and the unconstrained model (Anderson and Gerbing, 1988). This test also compares all possible pairings of the dimensions in the same study.

With the reduction of one degree of freedom (df) from the unconstrained model to the constrained model, the parameter estimate yields a chi-square value that is greater than or equal to 3.84 (Anderson and Gerbing, 1988). A two-dimension result proves a better fit to the data. Therefore, the

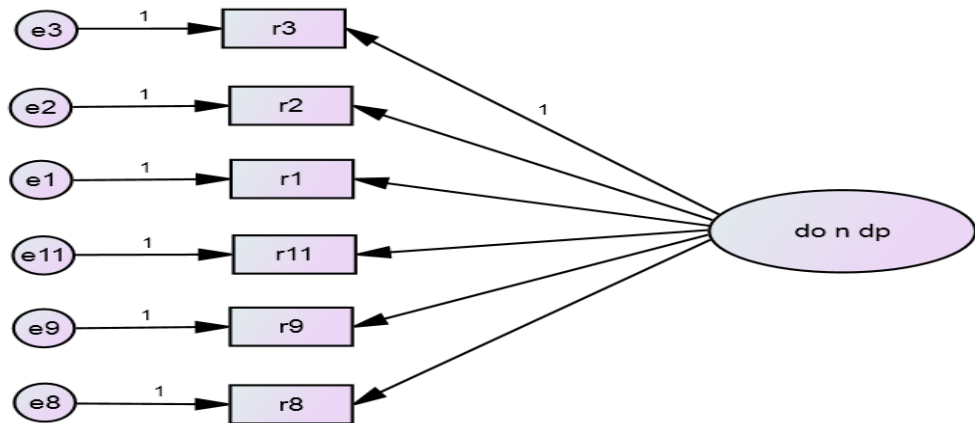
discriminant validity between the two dimensions is supported. In other words, when comparing a constrained model with an unconstrained model. If the chi-square value of the unconstrained model is lower than the constrained model by 3.84 or more, the unconstrained model fits to the data better and discriminant validity between two constructs is supported (Farrell, 2010).

In Table 5.14, the parameter estimate of two measurement models is compared. An unconstrained Model B, which is a two-construct model shown in Figure 5.3, is compared with a constrained Model A, which is a single-dimension model shown in Figure 5.2. If the constrained model fitness deteriorates when the items from the two dimensions collapse, discriminant validity exists between these two dimensions. As the scale has 7 dimensions, 21 pairs of dimensions can be formed. Therefore, 21 comparisons are made.

Figure 5.3 shows an unconstrained model with the dimensions of Acceptance of Dissimilarity in Personality and Accommodating with Varied Opinion. CFA was performed. The overall model fitness was found acceptable, with chi-square = 43.39, df = 8, chi-square/df = 5.42, GFI = 0.96, CFI = 0.97, and SRMR = 0.06 as GFI and CFI are larger than the threshold of 0.9 and SRMR is smaller than 0.08 though the chi-square/df is larger than 3. In contrast, as indicated in Table 5.14, the results of the constrained model with chi-square = 173.9, df = 9, chi-square/df = 19.32, which is much higher than 3 and therefore considered unsatisfactory. Moreover, the chi-square difference between the two models is 130.5 with degree of freedom is 1. As such, there is a significant difference between the two models. Therefore, discriminant validity exists between the dimension of Acceptance of Dissimilarity in Personality and the dimension of Accommodating with Varied Opinion.

The same procedure was repeated for the other 20 pairs of dimensions. A summary of the findings is presented in Table 5.14, which shows that the overall model fitness consistently deteriorates whenever the items from any two dimensions are collapsed into one. The results show that discriminant validity exists among all pairs of dimensions.

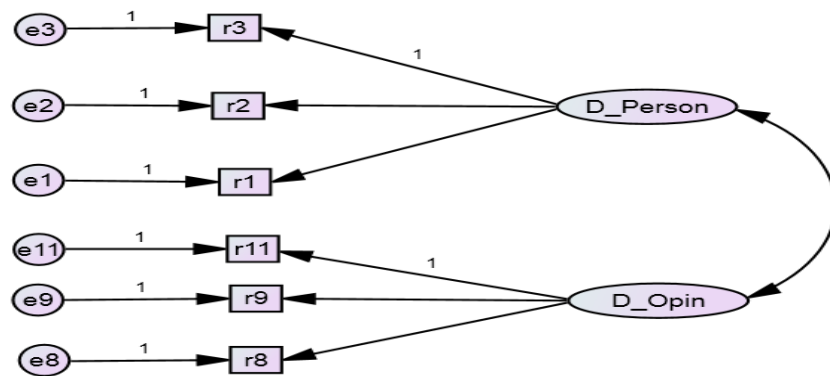
Figure 5.2: Testing Discriminant Validity: Constrained Model



Legend:

do n dp = Acceptance of Dissimilarity in Personality and Accommodating with Varied Opinion

Figure 5.3: Testing Discriminant Validity: Unconstrained Model



Legend: D_Person = Acceptance of Dissimilarity in Personality
D_Opin = Accommodating with Varied Opinion

Table 5.14: Discriminant Validity Analysis

Constructs		Model A*		Model B**		Difference***	
Paired Constructs		X^2	df	X^2	df	X^2	df
Acceptance of Dissimilarity in Personality	Accommodating with Varied Opinion	173.9	9	43.4	8	130.5	1
Acceptance of Dissimilarity in Personality	Observation of Role Order	285.1	9	11.7	8	273.4	1
Acceptance of Dissimilarity in Personality	Adherence to Rationality	351.2	9	6.8	8	344.4	1
Acceptance of Dissimilarity in Personality	Preference for the Status Quo	387.3	14	48.4	13	338.9	1
Acceptance of Dissimilarity in Personality	Moving Backward	381	9	6.4	8	374.6	1
Acceptance of Dissimilarity in Personality	Moving Forward	404.6	9	9.5	8	395.1	1
Accommodating with Varied Opinion	Observation of Role Order	272.1	9	41.9	8	230.2	1
Accommodating with Varied Opinion	Adherence to Rationality	242.8	9	12.9	8	229.9	1
Accommodating with Varied Opinion	Preference for the Status Quo	354.1	14	64.4	13	289.7	1
Accommodating with Varied Opinion	Moving Backward	315	9	11.6	8	303.4	1
Accommodating with Varied Opinion	Moving Forward	383.5	9	8.8	8	374.7	1
Observation of Role Order	Adherence to Rationality	225.5	9	43.2	8	182.3	1
Observation of Role Order	Service Quality	293.3	14	59	13	234.3	1
Observation of Role Order	Moving Backward	272.5	9	19.3	8	253.2	1
Observation of Role Order	Moving Forward	252.6	9	18.1	8	234.5	1
Adherence to Rationality	Preference for the Status Quo	198.5	14	75	13	123.5	1
Adherence to Rationality	Moving Backward	243.5	9	17.9	8	225.6	1
Adherence to Rationality	Moving Forward	303.4	9	18.4	8	285	1
Preference for the Status Quo	Moving Backward	448.2	14	66.4	13	381.8	1
Preference for the Status Quo	Moving Forward	477.2	14	48.1	13	429.1	1
Moving Backward	Moving Forward	375.1	10	6	8	369.1	2

● All significant at $p < 0.05$

● *Constrained Model A (One Single Construct Model)

** Unconstrained Model B (Two-Construct Model)

*** Difference between Model A and Model B

iii. Correlation Coefficient

The third discriminant validity method is Correlation Coefficient. This method is normally considered with convergent validity (Bollen, 2014; Bagozzi, 1991). The result of the convergent validity is reported in the next session.

C. Convergent Validity

Convergent validity in theory states that construct measures should have a relationship with each other and that by observation, the construct measures should also have a relationship with each other (Malhotra, 2012). Specifically, convergent validity refers to the extent to which the measurements of multiple items of each construct are in agreement (Bagozzi and Yi, 1991) and the convergent validity is generally considered acceptable if the path coefficient is larger than 0.4 (Duncan, Wallace, Lai, Johnson, Embretson and Laster, 1999). For example, Batra and Ahtola (1990) used convergent validity to validate measurement scale for two constructs: hedonic and utilitarian attributes of consumer attitudes towards brands. The path coefficient was 0.77 for the hedonic attribute, and 0.55 for the utilitarian attribute as both of their path coefficients are larger than 0.40 which is deemed to establish convergent validity.

Two methods of testing convergent validity were adopted as follows:

- i. Second-order CFA Measurement Model
- ii. Correlation Coefficient

i. Second-order CFA Measurement Model: Firstly, the second-order CFA measurement model explores the relationship between the scale and its seven dimensions. The path coefficient of the second-order CFA measurement model is generally considered as acceptable if it is larger than 0.4 (Duncan et al., 1999).

Figure 5.4 shows the second-order CFA measurement model for Customer Ren Orientation. Customer Ren Orientation is a construct composed of seven

dimensions. The AMOS package was employed to assess if the data fit the model. As shown in Table 5.15, the goodness-of-fit is acceptable because CMIN/df (2.395) is lower than 3 and greater than 1, and GFI and CFI are 0.90 and 0.93, respectively, both greater than the threshold of 0.90. In addition, RMSEA is 0.06, which indicates that the error terms are acceptable. In addition, in Figure 5.4, the path coefficients of the seven dimensions range from 0.52 to 0.84 which are larger than 0.4 as minimumly required (Duncan et al., 1999).

Table 5.15: Assessing Convergent Validity: Second-order CFA Measurement Model

Goodness-of-fit Measures	Customer Ren Orientation (second order)	Levels of Acceptance Fit
GFI	.90	>.90
CFI	.93	>.90
RMSEA	.06	< .08
SRMR	.07	< .08
X^2	479.079	-
df	200	-
X^2/df	2.395	$3 > x > 1$
P	.000	> .05

Legend: CFI: Goodness-of-fit index

AGFI: Adjusted goodness-of-fit index

CFI: Comparative fit index

RMR: Root mean square residual

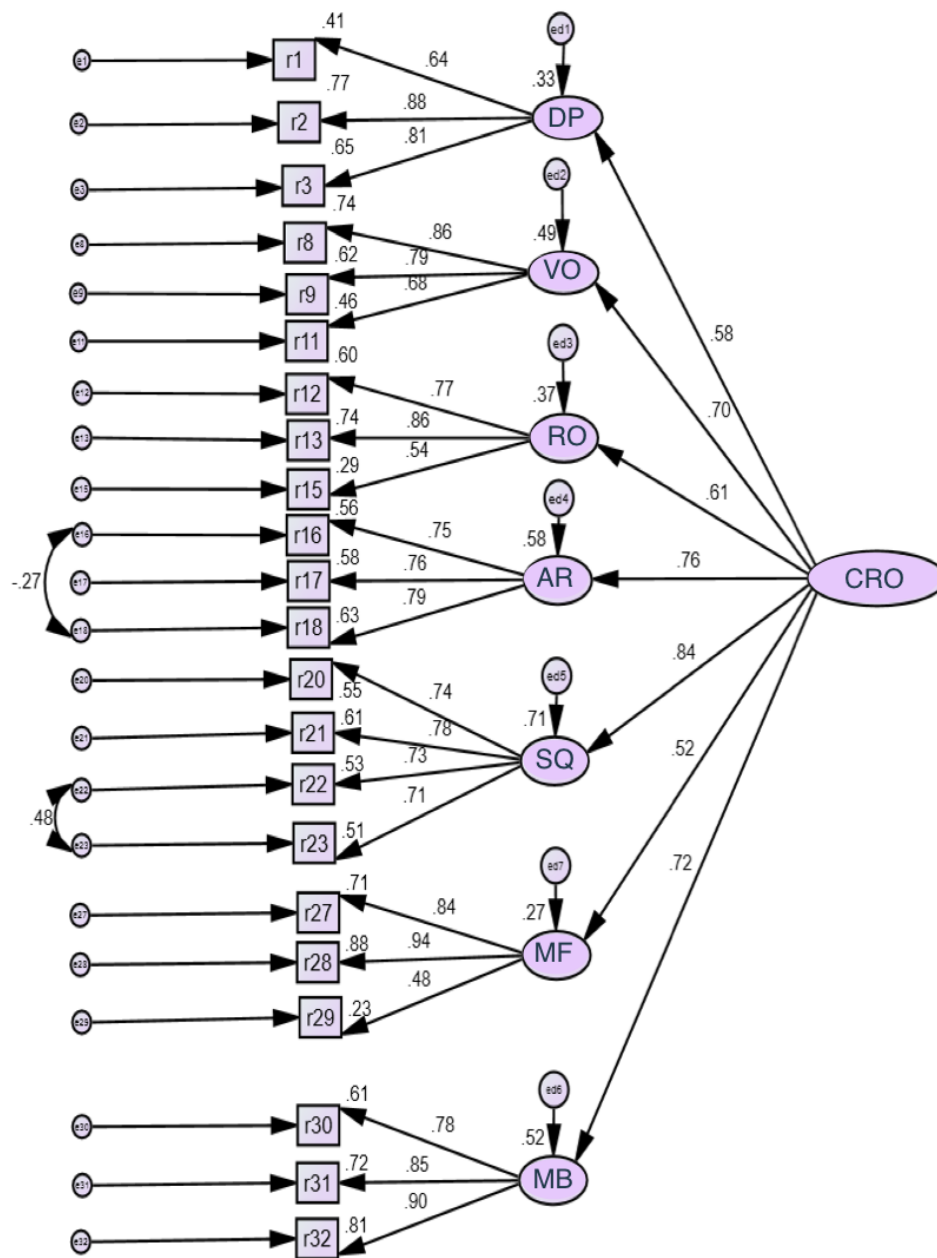
RMSEA: Root mean square error of approximation

X^2 : Likelihood-ratio chi-square

df : Degree of freedom

X^2/df : Normed chi-square

Figure 5.4: Second-order Measurement Model of Customer Ren Orientation



Chi Square = 479.079 Df = 200 p = .000

Normed Chi Square = 2.395

GFI = .901 CFI = .934 NFI = .893

RMSEA = .060 SRMR = 0.0697

Legend: DP - Acceptance of Dissimilarity in Personality, VO - Accommodating with Varied Opinion, RO - Observation of Role Order, AR - Adherence to Rationality, SQ - Preference for the Status Quo, MF - Moving Forward, MB - Moving Backward.

Regarding the correlations among the seven dimensions of the scale, Table 5.16 shows that the standardised regression weights for the dimensions of Customer Ren Orientation scale range from 0.52 to 0.84 and are significant at $p = 0.001$. The critical ratio (CR) of the weights ranges from 6.35 to 8.14, which is considered significant ($>\pm 1.96$) (Diamantopoulos and Siguaw, 2000). All items are convergent to the same scale of Customer Ren Orientation because the weight for each dimension is greater than 0.4 (Anderson and Gerbing, 1988; Duncan et al., 1999). Convergent validity is warranted.

Table 5.16: Parameter Estimates and Test Statistics for the Second-order Measurement Model of Customer Ren Orientation

	Standardised Regression Weights	Critical Ratios
Customer Ren Orientation → Acceptance of Dissimilarity in Personality	.58*	
Customer Ren Orientation → Accommodating with Varied Opinion	.70	7.47
Customer Ren Orientation → Observation of Role Order	.61	6.35
Customer Ren Orientation → Adherence to Rationality	.76	7.81
Customer Ren Orientation → Preference for the Status Quo	.84	8.14
Customer Ren Orientation → Moving Forward	.52	7.05
Customer Ren Orientation → Moving Backward	.72	8.05

*All significant at $p=0.000$

ii. Correlation Coefficient: It is a method used to assess the convergent validity of a measurement model, and it can also be adopted to assess its discriminant validity.

Correlation Coefficient is used for both convergent validity and discriminant validity, which have to be assessed simultaneously (Campbell and Fiske, 1959; Geiser, Koch, and Eid, 2014). In addition, Bagozzi and Yi (1991) found that

without using Correlation Coefficient to assess the construct validity, the effects of measurement error such as social desirability or halo effects can be reduced.

Discriminant validity refers to the extent to which the measurements of different constructs are distinct (Bagozzi and Yi, 1991). For discriminant validity, correlation coefficients of the items within the same dimension are greater than those across of other dimensions. If the smallest coefficient of the items in a particular dimension is greater than all coefficients across other dimensions, there exists discriminant validity. In this study, the smallest coefficient of the items in the dimension of Adherence to Rationality is 0.481, which is greater than all coefficients across other dimensions except for one (0.501), as shown in Table 5.17. This finding shows that only 1 violation out of 57 coefficients (<2%) is not supported. The dimension of Adherence to Rationality is discriminated from other dimensions because the violation is extremely small. Similarly, for the dimensions of Observation of Role Order and Adherence to Rationality, the same result that one violation was found as indicated in Table 5.17. For the other four dimensions (Accommodating with Varied Opinion, Preference for the Status Quo, Moving Forward and Moving Backward) , no violation was found. Therefore, discriminant validity was ensured.

Convergent validity refers to the extent to which the measurements of multiple items of each construct are in agreement (Bagozzi and Yi, 1991). For convergent validity, the correlation coefficients of items in the same dimension can be generally regarded as acceptable because they are equal to or greater than 0.4 (Duncan et al., 1999). Table 5.17 shows the triangular diagonal matrix in which all items for each dimension are higher than 0.4, except Role Order which has one item having a correlation coefficient of 0.383. As the value is close to 0.4 and a sum of other coefficients of this dimension are much greater than 0.4, the convergent validity of this dimension is considered to be prevalent. Therefore, as indicated in Table 5.17, all the items converge to the same dimension as the convergent validity of all dimensions is deemed to be acceptable.

Table 5.17: Correlation Coefficient Results

Dim	Item	r1	r2	r3	r8	r9	r11	r12	r13	r15	r16	r17	r18	r20	r21	r22	r23	r27	r28	r29	r30	r31	r32
DP	r1	1																					
	r2	0.562	1																				
	r3	0.501	0.713	1																			
DO	r8	0.529	0.437	0.402	1																		
	r9	0.479	0.432	0.405	0.678	1																	
	r11	0.462	0.404	0.4	0.573	0.546	1																
Cardin	r12	0.122	0.196	0.187	0.212	0.177	0.217	1															
	r13	0.152	0.251	0.23	0.279	0.219	0.211	0.679	1														
	r15	0.231	0.236	0.207	0.407	0.261	0.256	0.383	0.439	1													
CY	r16	0.186	0.232	0.156	0.347	0.294	0.265	0.301	0.301	0.435	1												
	r17	0.265	0.278	0.25	0.346	0.263	0.23	0.308	0.34	0.308	0.549	1											
	r18	0.189	0.216	0.201	0.299	0.243	0.279	0.26	0.264	0.245	0.481	0.623	1										
SQ	r20	0.266	0.299	0.3	0.433	0.375	0.357	0.289	0.259	0.328	0.501	0.443	0.444	1									
	r21	0.274	0.314	0.341	0.333	0.351	0.293	0.279	0.331	0.246	0.378	0.391	0.452	0.572	1								
	r22	0.24	0.288	0.29	0.294	0.291	0.279	0.241	0.323	0.283	0.388	0.426	0.403	0.512	0.611	1							
	r23	0.201	0.252	0.219	0.317	0.302	0.241	0.244	0.29	0.27	0.403	0.457	0.429	0.509	0.574	0.752	1						
F	r27	0.159	0.214	0.234	0.249	0.217	0.19	0.253	0.327	0.329	0.258	0.168	0.192	0.196	0.198	0.114	0.178	1					
	r28	0.096	0.21	0.214	0.238	0.206	0.143	0.305	0.39	0.285	0.295	0.207	0.281	0.251	0.23	0.192	0.246	0.791	1				
	r29	0.062	0.155	0.116	0.103	0.135	0.147	0.21	0.22	0.174	0.139	0.11	0.178	0.157	0.119	0.113	0.201	0.412	0.444	1			
B	r30	0.22	0.247	0.23	0.385	0.278	0.228	0.252	0.299	0.196	0.305	0.265	0.298	0.386	0.357	0.311	0.287	0.295	0.399	0.234	1		
	r31	0.217	0.255	0.256	0.428	0.344	0.269	0.232	0.338	0.309	0.402	0.333	0.357	0.442	0.414	0.406	0.424	0.349	0.432	0.252	0.643	1	
	r32	0.183	0.24	0.249	0.419	0.307	0.254	0.244	0.309	0.267	0.37	0.311	0.329	0.381	0.36	0.391	0.417	0.38	0.468	0.255	0.717	0.761	1

Legend:

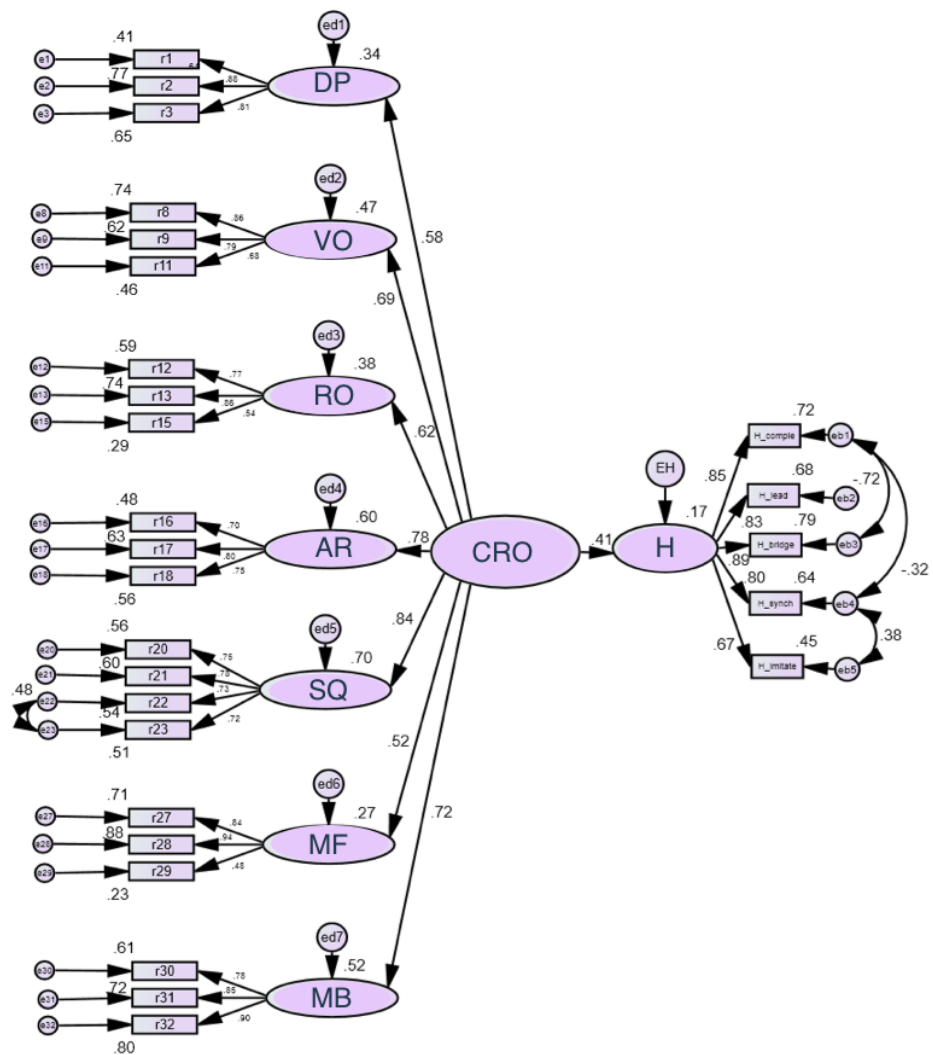
DP refers to Acceptance of Dissimilarity in Personality; DO refers to Accommodating with Varied Opinion; Cardin refers to Observation of Role Order; CY refers to Adherence to Rationality; SQ refers to Preference for the Status Quo; F refers to Forward; and B refers to Moving Backward.

D. Criterion Validity

Criterion validity refers to the assessment of how effective the scale or variable predicts a future outcome. Criterion comprises predictive validity and concurrent validity (Churchill and Iacobucci, 2010). In this study, the predictive validity of Customer Ren Orientation was assessed, and Harmony was adopted as the criterion. A SEM analysis using AMOS 18 was performed, and the overall model fitness was found acceptable, with chi-square = 677.79, df = 312, chi-square/df = 2.17, GFI = 0.89, CFI = 0.93, RMSEA = 0.06 and SRMR = 0.07.

As shown in Figure 5.5, the path coefficient from Customer Ren Orientation to Harmony is 0.41, which is significant at $p = 0.001$. Therefore, Customer Ren Orientation can be regarded as a good predictor of Harmony with good predictive validity because the coefficient is considerably high.

Figure 5.5: Predictive Validity of Customer Ren Orientation Using Harmony as a Criterion



Legend:

DP refers to Acceptance of Dissimilarity in Personality; DO refers to Accommodating with Varied Opinion; Cardin refers to Observation of Role Order; CY refers to Adherence to Rationality; SQ refers to Preference for the Status Quo; F refers to Forward; and B refers to Moving Backward; CRO refers to Customer Ren Orientation; H refers to Harmony.

E. Robustness of the Scale

Cross-sample validation (DeVellis, 1991) and bootstrapping (Cheung and Lau, 2007) are commonly used for checking the robustness of the measurement scale for Customer Ren Orientation. In this study, both methods were used for analysing the robustness of the Customer Ren Orientation scale.

i. Cross-sample Validation

Cross-sample validation is the process of checking if some robustness of the measurement scale exists by dividing the sample into two subsamples (DeVellis, 1991; Sin et al., 2005). Sin et al. (2005) suggest that it is important to conduct cross-sample validation for the development of new measurement scale in consumer behaviour. Precisely, cross-sample validation was examined adopting the following process.

Firstly, a confirmatory factor analysis model with Customer Ren Orientation was identified. Then, we assessed to what extent that the specification remains across the two sub-samples. In the analysis, we used a series of testing processes to assess the gradually limiting forms of variance (Mullen, 1995). In this study, cross-sample validation was adopted to gauge Customer Ren Orientation, and the sample was randomly divided into two halves using SPSS (Version 19). Table 5.18 describes the results of the cross-sample comparisons between two randomly split subsamples. Initially, the factor loadings of the Customer Ren Orientation model were found invariant across the two sub-samples. The covariance matrices of the two subsamples show a satisfactory fit ($X^2/df=1.923$, GFI=.852, CFI=.916, RMSEA=.049). In addition, the Hoelter index was 234, higher than 200 at $p=0.00$, showing that the model fits the data and the sample size is acceptable. Therefore, the same factor loadings of the scale for Customer Ren Orientation are mapped into the two subsamples.

Furthermore, we examine if the measurement weights, structural weights, structure covariances, structural residuals and measurement residuals are invariant across the two subsamples. Table 5.18 describes the results

attained from Amos 18. Firstly, Model 1 (M1) indicates that the factor pattern was found to be invariant across the two subsamples as there are no difference between measurement weights across the subsamples ($\chi^2(415) = 792.416$, $p=0.082$), showing that the measurement weights are invariant. Therefore, we can confirm that the same factor loadings of the scale for Customer Ren Orientation are mapped into the two subsamples.

Secondly, we tested whether the structural weights were the same across the two subsamples. In model 2 (M2), we can calculate the chi-square difference to examine the structure weights, as indicated by the difference in chi-square (M2-M1: $\Delta\chi^2(6) = 6.930$, $p=0.327$). Hence, the structural weights are the same across the two subsamples.

Thirdly, we also examine if the structure covariances were invariant across the sub-samples. Model 3 (M3) describes that there is no significant difference in structural covariances across the two subsamples ($\Delta\chi^2(1)=3.478$, $p = 0.062$). Lastly, despite the differences found in the structural residuals and measurement residuals for the two subsamples as shown in the last two columns of Table 5.18 ($\Delta\chi^2(7) = 20.567$, $p= 0.004$; $\Delta\chi^2(24) = 66.232$, $p= 0.000$) respectively, they cannot affect the factor loadings of the scale for Customer Ren Orientation. Overall, we found that the measurement weights, structural weights and structure covariances are invariant across the two subsamples. As such, the factor loadings of the scale for Customer Ren Orientation are invariant across two subsamples. Based on the results of the cross-sample validation, the robustness of the Customer Ren Orientation scale is ensured.

Table 5.18: Results of the Cross-sample Comparisons between Two Randomly Split Subsamples

Goodness-Of-fit index	Acceptable Value (range)	Model				
		M1: Equal Measurement Weights	M2: With Structure Weights	M3: With Structure Covariances	M4: With Structural Residuals	M5: With Measurement Residuals
$\chi^2(df)$	Small relative to df	792.416 (415)	799.346 (421)	802.824 (422)	823.391 (429)	889.624 (453)
P	>.05	0.00	0.00	0.00	0.00	0.00
χ^2/df	<3.0	1.909	1.899	1.902	1.919	1.964
GFI	>.80	.849	.848	.847	.843	.830
CFI	>.90	.914	.914	.913	.910	.941
PGFI	>.60	.696	.705	.707	.715	.743
RMSEA	<.08	0.049	0.049	0.049	0.049	.050
Hoelter	>200 at $p=0.01$	235	236	236	233	227
Model Comparison		M1: Equal Weights $P=0.082$	M2 - M1: Equal Structure $\Delta\chi^2(6) = 6.930$, $p=0.327$	M3 - M2: Equal Covariances $\Delta\chi^2(1)=3.478$ $p=0.062$	M4 - M3: Equal Structural Residuals $\Delta\chi^2(7) = 20.567$ $p=0.004$	M5 - M4: Equal Measurement Residuals $\Delta\chi^2(24) = 66.232$ $p=0.000$

Legend: GFI: Goodness-of-fit index

CFI: Comparative fit index

PGFI: Parsimonious Goodness of Fit Index

RMSEA: Root mean square error of approximation

Hoelter: χ^2 : Likelihood-ratio chi-square df : Degree of freedom χ^2/df : Normed chi-square

ii. Bootstrapping

Bootstrapping is the process in which the dataset is resampled to generate a large number of datasets, and the numerous estimates provide information on the robustness of the model (Tichelaar and Ruff, 1989; Arbuckle, 2010). In this study, bootstrapping was performed using AMOS 18. The mean of over 1,000 bootstrap samples was 744.208, with a standard error of 2.160. Table 5.19 and Figure 5.6 show the results for bootstrapping of the scale for Customer Ren Orientation, which indicates that the bootstrapping results are normal. As shown in Table 5.18, the overall model fitness was found acceptable, with $X^2 = 479.1$, $df = 200$, $X^2/df = 2.40$, $GFI = 0.90$, $CFI = 0.93$, $RMSEA = 0.06$ and $SRMR = 0.07$. Thus, according to the bootstrapping results, the robustness of the Customer Ren Orientation scale is warranted.

Table 5.19: Bootstrapping Results of the Customer Ren Orientation Measurement Scale

Goodness-of-fit Measures	Ren Orientation	Levels of Acceptance Fit
GFI	.90	>.90
CFI	.93	>.90
RMSEA	.06	< .08
SRMR	.07	< .08
X^2	479.1	-
df	200	-
X^2/df	2.40	$3 > x > 1$
P	.000	> .05

Legend: GFI: Goodness-of-fit index CFI: Comparative fit index
 RMSEA: Root mean square error of approximation
 SRMR: Standardised root mean square residual
 X^2 : Likelihood-ratio chi-square
 df : Degree of freedom
 X^2/df : Normed chi-square

Figure 5.6: Bootstrapping Results of the Customer Ren Orientation Measurement Scale

	561.848	*
	588.053	*
	614.257	****
	640.462	*****
	666.667	*****
	692.871	*****
	719.076	*****
N = 1000	745.281	*****
Mean =	771.485	*****
744.208		
S. e. = 2.160	797.690	*****
	823.895	*****
	850.099	*****
	876.304	****
	902.509	**
	928.713	*

Stage 7: Developing the Measures of Customer Ren Orientation

This stage refers to the average and other statistics summarising the distribution of scores. All items of the adopted and developed measures were combined. The distribution of scores of all measures was checked using SPSS (Normal Q–Q plot). The results of this analysis indicate that all the scores of all measures are normally distributed. Thus, SEM is conducted in the next section.

As shown in Figure 4.2, the first six stages of the adopted procedure for developing the measures of Ren are complete, and the important statistics are summarised in Table 5.20.

Table 5.20: Statistics Summarising the Distribution of Scores

Procedure for Developing the Measures of Customer Ren Orientation	Methods	Results
Stage 1: Specifying the domain of construct	Literature search in Chapters Two and Three	Seven dimensions of Customer Ren Orientation were proposed: Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order and Adherence to Rationality, Preference for the Status Quo, Moving Forward and Moving Backward.
Stage 2: Generating the sample of items	Literature search, focus group, scree test, expert opinions and survey	37 items were generated on the basis of literature search, focus group and scree test 31 items used in the survey were evaluated by an expert panel
Stage 3: Collecting the data	Three-stage sample selection process (see Chapter Four)	384 respondents agreed to participate in the survey (see Table 5.1)
Stage 4: Purifying the measure	Item analysis (see Section 5.2.3)	t-values of 29 items were significant at the 0.05 level.
	Cronbach's alpha (see Section 5.2.3)	The coefficient alpha of Customer Ren Orientation for the full sample was 0.92, which is satisfactory as it is greater than 0.7 (see Table 5.9).
	EFA (see Section 5.2.3)	22 items with 7 dimensions; the results of the variance percentage for all 7 dimensions were greater than 5. The results of the variance percentage of all 22 items in the seven-dimension structure were greater than 0.5. (see Table 5.9)
Stage 5: Assessing the reliability	Cronbach's alpha (see Section 5.2.3)	The coefficient alpha of Customer Ren Orientation for the full sample (384 units) was 0.92, which is satisfactory as it is greater than 0.7 (see Table 5.9).
	Split-half reliability	The split-half reliability values of Customer Ren Orientation (N=384) were 0.85 and

	(see Section 5.2.3)	0.86 for subsample 1 (N=192) and sub-sample 2 (N=192), respectively. These values are greater than the satisfactory level of 0.7 (see Table 5.9).
	Composite reliability (see Section 5.2.3)	Composite reliability value of the items across the seven dimensions of Customer Ren Orientation was high at 0.75 to 0.88, which is greater than the recommended level of 0.7 suggested by Nunnally (1978) (see Table 5.9).
		In sum, the scale reliability of Customer Ren Orientation was considered satisfactory, as the values of the various reliability tests, such as Cronbach's alpha, split-half reliability and composite reliability, were higher than 0.7 (Churchill, 1979).
Stage 6: Assessing the validity	Construct validity (EFA) (see Section 5.2.3)	22 items with 7 dimensions; the results of the variance percentage for all 7 seven dimensions were greater than 0.5. The variance percentage results of all 22 items in the seven-dimension structure were greater than 0.5 (see Table 5.9).
	Construct validity (first-order CFA measurement model) (see Section 5.2.3)	GFI=0.91 CFI=0.947 RMSEA = 0.56 SRMR = 0.05 $\chi^2=412.201$ $Df=188$ $\chi^2/df=2.193$ $P=0.000$ (see Table 5.11) All GFIs were above the recommended level of 0.9, and the error indices were low. Normed chi-square was within the threshold of 1 and 3. Therefore, the first-order CFA measurement model is considered satisfactory.
	Discriminant validity (pair comparison by AMOS) (see Section 5.2.3)	Table 5.14 shows that the overall model fitness consistently deteriorates whenever the items from any two dimensions are collapsed into one. The results show discriminant validity among all pairs of dimensions.
	Discriminant validity	As all correlation coefficients within the same dimensions are significant at the

	(Fornell and Larcker criterion (AVE)) (see Section 5.2.3)	0.001 level, all dimensions have discriminant validity among themselves (see Table 5.14).
	Convergent validity (second-order CFA) (see Section 5.2.3)	Regarding the correlations among the seven dimensions of the scale, Table 5.16 shows that the standardised regression weights for the dimensions of Customer Ren Orientation scale, ranging from 0.52 to 0.84, are significant at $p = 0.001$. As the CRs for the weights are all significant and the weight for each dimension is greater than 0.4, all the items are convergent to the same Customer Ren Orientation scale (Anderson and Gerbing, 1988). Convergent validity seems warranted.
	Convergent validity (Multitrait–multimethod matrix) (see Section 5.2.3)	For convergent validity, the average value of coefficients in the same dimension is greater than 0.4. Therefore, all items are convergent to the same dimension.
	Criterion validity (Predictive validity) (see Section 5.2.3)	As shown in Figure 5.5, the path coefficient from Customer Ren Orientation to Harmony is 0.41, which is significant at $p = 0.001$. Therefore, Customer Ren Orientation is a good predictor of Harmony and has good predictive validity.

In summary, all the procedures were completed, as shown in Figure 4.2. A total of 37 items were found through focus group discussions, and 31 items were found through the expert panel. Two items were removed after item analysis.

Following all stages of the scale development indicated in Figures 4.1 and 4.2, a set of 22 items from 7 dimensions was generated and assessed in terms of reliability and validity using more than one method or indicator. For reliability, Cronbach's α , split-half reliability and composite reliability were adopted. For validity, construct validity, discriminant validity, convergent validity and criterion validity were used. Overall, the measurement of Customer Ren Orientation has been shown to be both reliable and valid (Table 5.20).

The structural model of the Customer Ren Orientation is explored in the next section.

5.3 Structural Model

The measurement model of Customer Ren Orientation was confirmed in the last section. In this section, the structural model of Customer Ren Orientation is assessed, as shown in Figure 3.1. The three steps of assessing the structural model of Customer Ren Orientation is discussed, followed by the presentation of the results of the hypothesis testing. Then, the direct, indirect and total effects between endogenous and exogenous variables are explored.

5.3.1 Steps in Assessing the Structural Model

Firstly, the structural model of Customer Ren Orientation is assessed using the following two steps.

- A. Normal Q–Q plot of Constructs
- B. Multivariate Analysis
- C.

A. Normal Q–Q plot of Constructs

A normal Q–Q plot is a graphical tool adopted to check the normality of each construct in the structural model. If the constructs are normal, the points on the Q–Q plot will line up nearly on a straight line.

According to Yang, Lu and Waibel, (1997), a normal Q–Q plot is one of the most popular methods to determine the goodness-of-fit of constructs because of its simple and straightforward graphical presentation. If the data of a construct are normally distributed, the points of the data should overlap with the 45° straight line (Yang, Lu, and Waibel, 1997). As the structural model of Customer Ren Orientation has five constructs, namely, Customer Ren Orientation, Harmony, Service Quality, Business Relationship and Loyalty, five Q–Q plots were generated using the SPSS (Version 19) subprogramme Q–Q Plots.

As shown in Figures 5.7 to 5.11, the results of the Q–Q plots of the five constructs in this study were generally normal. Among the five constructs of the structural model of Customer Ren Orientation, three of them (Customer Ren Orientation, Harmony and Business Relationship) were found to be normally distributed. Service Quality and Loyalty fell slightly away from the straight line but were still acceptable.

Figure 5.7: Normal Q–Q Plot of Customer Ren Orientation

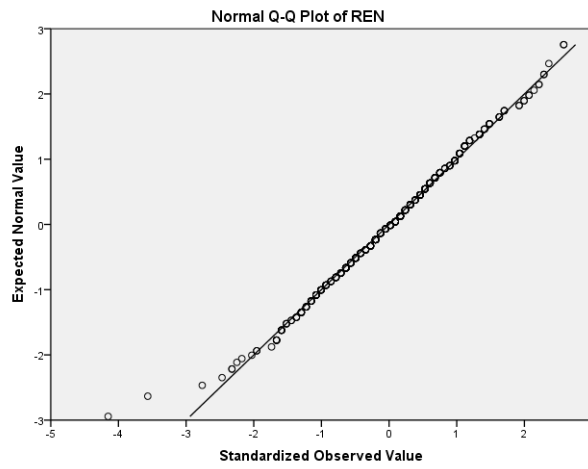


Figure 5.8: Normal Q–Q Plot of Harmony

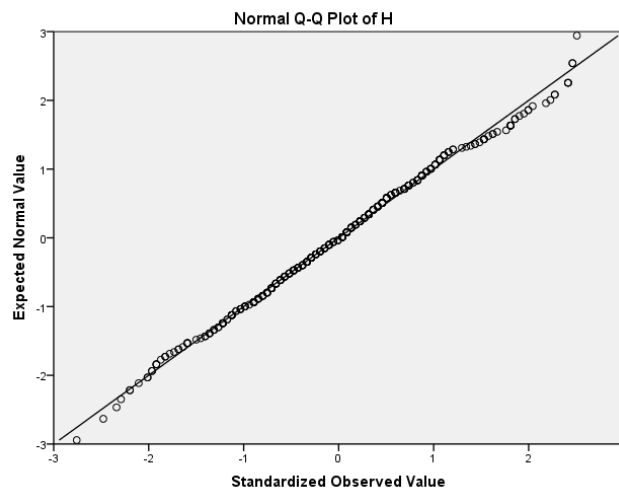


Figure 5.9: Normal Q–Q Plot of Service Quality

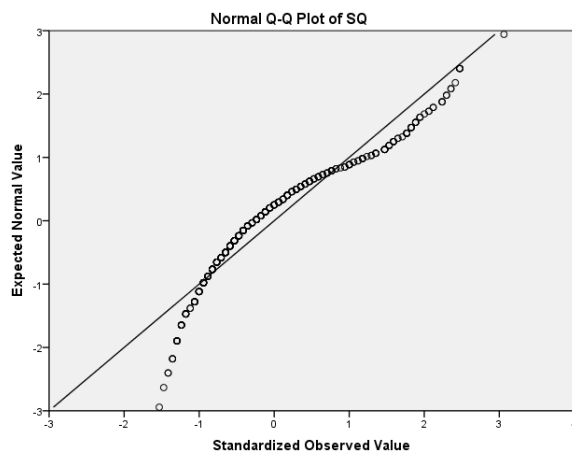


Figure 5.10: Normal Q–Q Plot of Business Relationship

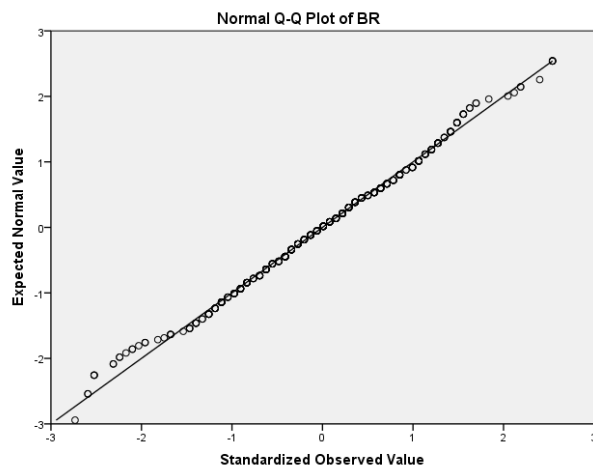
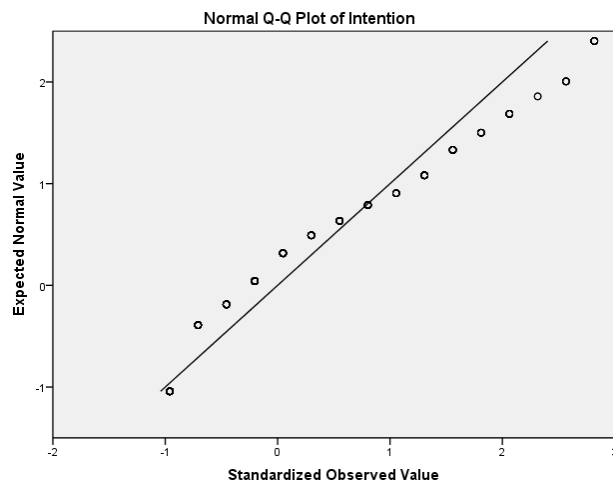


Figure 5.11: Normal Q–Q Plot of Loyalty



B. Multivariate Analysis

A multivariate analysis called SEM was also conducted. As discussed in Chapter Four (Bollen and Hoyle, 2012; Marsh, Morin, Parker and Kaur, 2014), SEM was performed to assess the structural model of Customer Ren Orientation. The analysis was separated into four stages: violation check, assessment of model fit, hypothesis testing and assessment of interaction effect and quadratic effect.

Stage 1: Violation Check

Violation check is a basic examination of the indices (Joreskog, 1967). All indices should be positive for the covariances, square multiple correlations and variances. In addition, all standardised regression weights should be less than 1. The following is a list of criteria for violation check (Joreskog, 1967). The results of the violation check are shown in Table 5.21.

Table 5.21: Results of Violation Check

	Criteria	Results of Violation Check
1	Correlation coefficients greater than 1	No
2	Negative variances	No
3	Negative squared multiple correlations	No
4	Negative covariances	No

In this study, the entire square multiple correlations were less than one, ranging from 0.018 to 0.969. In this study, all indices were positive, ranging from 0.913 to 3.674 for the covariances, from 0.018 to 0.969 for the square multiple correlations, and from 0.052 to 12.2 for the variances. Therefore, no violation is found in the output which can be subject to further interpretation. The model fit is examined in the next stage.

Stage 2: Assessment of Model Fit

In the second stage, AMOS was used to assess the structural model of Customer Ren Orientation without considering the interaction effect of Customer Ren Orientation and Business Relationship on Service Quality in Hypothesis 5, which will be discussed in Stage 4.

The purpose of Stage 2 is to assess whether the data fit the model well. The overall goodness-of-fit results are summarised with the level of Acceptance Fit for each goodness-of-fit measure in Table 5.22. The GFIs were acceptable because X^2/df (1.98) was lower than 3, and the GFI and CFI were 0.91 and 0.97, respectively, both greater than the threshold of 0.90. In addition, RMSEA was 0.05, which is less than 0.08, thus indicating that the error terms as acceptable.

Table 5.22: Summary of the Overall Results of Goodness-of-Fit of the Structural Model (AMOS)

Goodness-of-fit Measures	Structural Model	Levels of Acceptance Fit
GFI	0.91	> 0.90
CFI	0.97	> 0.90
NFI	0.94	> 0.90
RMSEA	0.05	< 0.08
SRMR	0.06	< 0.08
X^2	423.04	-
Df	214	-
X^2/df	1.98	$3 > x > 1$
P	0.00	> 0.05

Legend: GFI: Goodness-of-fit index

CFI: Comparative fit index

RMSEA: Root mean square error of approximation

X^2 : Likelihood-ratio chi-square

df : Degree of freedom

X^2/df : Normed chi-square

In summary, data fit the model well. We examine the significance of the path coefficients of the model and test the proposed hypotheses in the next stage.

Stage 3: Hypothesis Testing

In this stage, the results of the standardised parameter estimates of the structural model of Customer Ren Orientation, followed by a discussion on the proposed hypothesis testing, are reported.

Table 5.23 shows the AMOS results of the standardised parameter estimates of the structural model of Customer Ren Orientation. Overall, eight paths

exist, and the standardised parameter estimates ranged from -0.10 to 0.80. Paths 1, 2, 3, 5 and 8 were significant at $\alpha \leq 0.05$, and Paths 4, 6 and 7 were not significant at $\alpha \leq 0.05$. The relationships among all paths and their respective hypotheses are discussed as follows. Note that Paths 6 and 7 will be reported in Stage 4 as other additional SEM techniques are adopted.

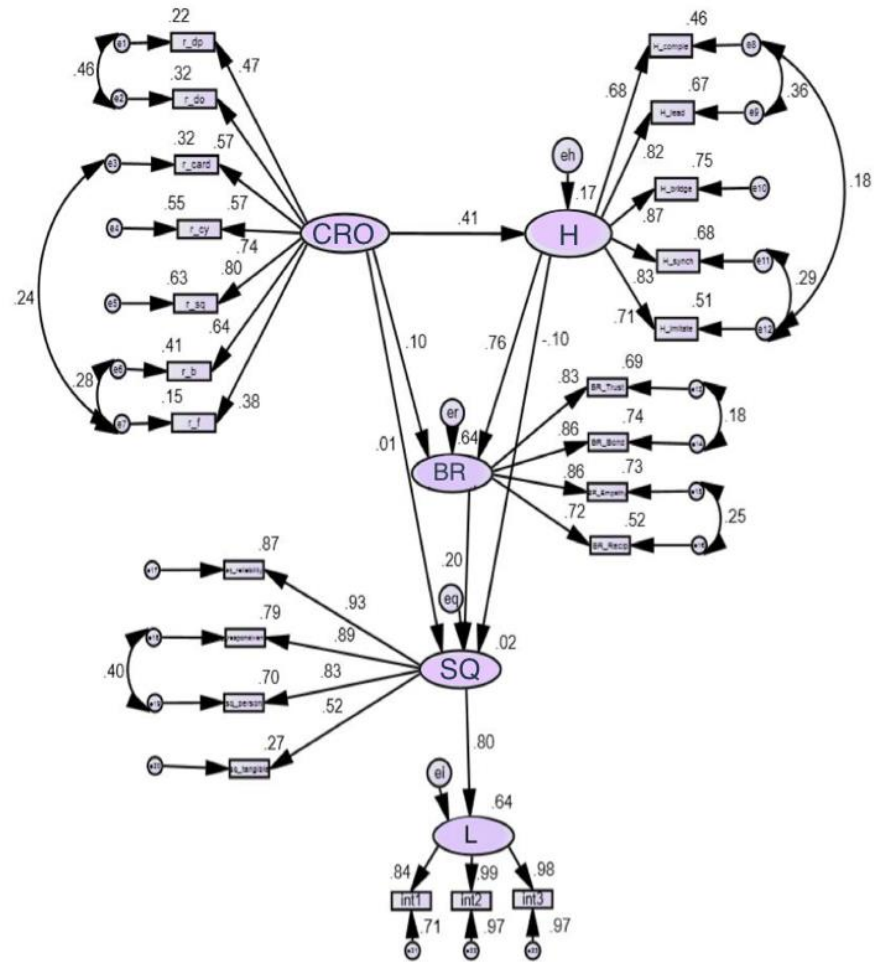
Table 5.23: AMOS Results of the Standardised Parameter Estimates of the Structural Model

Path	Relationship	Estimates	C.R.
1	Customer Ren Orientation \rightarrow Harmony	0.41*	4.972
2	Customer Ren Orientation \rightarrow Business Relationship	0.10*	2.040
3	Harmony \rightarrow Business Relationship	0.76*	11.126
4	Customer Ren Orientation \rightarrow Service Quality	0.01	0.123
5	Business Relationship \rightarrow Service Quality	0.20*	1.728
6	Customer Ren Orientation + Business Relationship \perp Service Quality	NA	NA
7	Harmony \rightarrow Service Quality	-0.10	-0.871
8	Service Quality \rightarrow Loyalty	0.80*	10.226

* $\alpha \leq 0.05$ (one-tailed)

Legend: Estimates: Standardised Parameter Estimates C.R.: Critical Ratios

Figure 5.12 Structural Model of Customer Ren Orientation (AMOS)



Chi Square = 423.675 Df = 214 p = .000
 Normed Chi Square = 1.980
 GFI = .914 CFI = .967 NFI = .936
 RMSEA = .051 SRMR = .0552

Path 1: As shown in Table 5.23 and Figure 5.12, Path 1 relates to the path from Customer Ren Orientation to Harmony. The standardised parameter estimate of this path is 0.41, which is significant at $\alpha \leq 0.05$. The one-tailed significant test used as the positive side of the relationship between Customer Ren Orientation and Harmony was considered. This test was applied to all the hypotheses. Therefore, **H1**, which states **a positive relationship between Customer Ren Orientation and Harmony**, is confirmed. As no prior empirical research conducted by other scholars could be found that examined this hypothesis, no straightforward comparison could be made. However, this finding confirms the propositions discussed in Bannister and Kearns (2013), Donnelly (2004) and Ward and Liu (2012). According to the first two studies, tolerance is one tool that helps citizens overcome the cultural difference in the city, and overcoming it leads to societal harmony. In addition, Ward and Liu (2012) found that upholding tolerance among different ethno-cultural groups is very important to the harmony of the multicultural society. The result of the present study confirms a more specific relationship between Customer Ren Orientation and Harmony. This relationship is not only limited to the context of cultural or multi-cultural issues suggested by Bannister and Kearns (2013), Donnelly (2004) and Ward and Liu (2012) but is also applicable to the context of marketing and management. Therefore, the result is consistent with the results of previous studies.

Path 2: As indicated in Table 5.23 and Figure 5.12, this path starts from Customer Ren Orientation to Business Relationship. The standardised parameter estimate is 0.10, which is significant at $\alpha \leq 0.05$. Therefore, **H2**, which indicates **a positive relationship between Customer Ren Orientation and Business Relationship**, is supported. As no preceding research by other scholars assessing this hypothesis was found, no straightforward comparison could be conducted. Therefore, this finding supports the proposition discussed in Chapter 3.

As discussed in Chapter 3, benevolence, sacrifice, forgiveness and compromise are traditional Chinese values that can promote good relationships between partners or Business Relationships based on the

teachings of Confucianism. Typically, compromise refers to a state in which both business parties give in a little to the other party to seek a win–win situation (Husted, 2012). According to Tao Te Ching (Le Guin, 2009), people need to cooperate with others to achieve the synergistic effects of collaborative efforts in the business world. Therefore, Ren can enhance the Business Relationship among people.

The result confirms a more specific relationship between Customer Ren Orientation and Business Relationship, not just a general relationship between partners in daily life based on the teachings of Confucianism (Husted, 2012) and Tao Te Ching (Le Guin, 2009). More importantly, the result of the study is applicable to the business sector. Therefore, the finding adds to our knowledge.

Path 3: As shown in Table 5.23 and Figure 5.12, Path 3 begins from Harmony to Business Relationship. The standardised parameter estimate is 0.76, which is significant at $\alpha \leq 0.05$. Therefore, **H3, which indicates a positive relationship between Harmony and Business Relationship**, is affirmed. The result is also consistent with those of Kidwell, Kellermanns and Eddleston (2012), Chan et al. (2011) and Chow and Yau (2010). According to Kidwell, Kellermanns and Eddleston (2012), family harmony customs and equality perceptions are adversely correlated with family obstacle. Similarly it can be suggested that harmony can help remove business limitations. Some important research findings are related to the above situation. Harmony is important for good family functioning (Chan et al., 2011). Similarly, Confucianism finds that harmony is the solution to conflicts in joint ventures, and it leads to a close Business Relationship among partners (Chow and Yau, 2010). More importantly, the result of the study reconfirms the positive relationship between Harmony and Business Relationship in joint ventures (Chow and Yau, 2010) and family business (Kidwell, Kellermanns and Eddleston, 2012). Moreover, a specific relationship exists between Harmony and Business Relationship in the service sector.

Path 4: As shown in Table 5.23 and Figure 5.12, Path 4 starts from Customer Ren Orientation to Service Quality. The standardised parameter estimate is 0.01, which is insignificant at $\alpha \leq 0.05$. Thus, **H4, which indicates a positive relationship between Customer Ren Orientation and Service Quality**, is not supported.

Nonetheless, based on the literature review in Chapter Three, the findings seem unreasonable. As mentioned in Chapter Three, if service providers do not take advantage of others, have better performance or use heart to serve customers, they will provide better Service Quality to customers (Hartz, 2009; Tang, 2015; Dubois, 2011).

Therefore, the relationship between Customer Ren Orientation and Service Quality should not be rejected. To study the relationship between Customer Ren Orientation and Service Quality, we explored the direct, indirect and total effects of the exogenous variable, Customer Ren Orientation and endogenous variable, Service Quality in Section 5.4.

Path 5: As shown in Table 5.23 and Figure 5.12, this path begins from Business Relationship to Service Quality. The standardised parameter estimate is 0.20 at $\alpha \leq 0.05$. Therefore, **H5, which indicates a positive relationship between Business Relationship and Service Quality**, is supported. The result is consistent with those of Mak, Wong and Chang (2011) and Sin et al. (2005). Having a good customer relationship is a critical success factor that affects the Service Quality of the service provider (Mak et al., 2011). Service providers should try to care more about the emotional needs of customers. Therefore, if service providers are more empathic toward their customers, Service Quality will increase to meet the needs of the customers (Sin et al., 2005). Businesses can rely on the strong cooperation between two firms to influence later strategic positions (Acosta, 2015; Juárez Acosta, 2014). In return, the service provider provides better Service Quality because of the high trust level between two parties, whether the relationship is business-to-business or business-to-customer. A high trust level in a Business Relationship reduces the dissonance in the post-purchase state. A specific

relationship between Business Relationship and Service Quality exists in the business sector especially in the service industry.

Path 6: As Path 6 involves the interaction effect of Customer Ren Orientation and Business Relationship on Service Quality, and an additional SEM technique is needed. The results for this path are presented in Stage 4.

Path7: As shown in Table 5.23 and Figure 5.12, Path 7 is the path from Harmony to Service Quality. Theoretically, a positive relationship exists between Harmony and Service Quality. The standardised parameter estimate is -0.10, which is not significant at $\alpha > 0.05$. Therefore, **H7, which indicates a positive relationship between Harmony and Service Quality**, is rejected.

However, based on the literature review in Chapter Three, the findings seem illogical. As indicated in Chapter Three, in terms of the benefits of harmony, evidence shows that harmony leads to good service quality of a business. For example, harmony is an important element that contributes to providing a positive environment for ethical behaviour (Kidwell, Kellermanns and Eddleston, 2012). A harmonious relationship in a company like that in a family is correlated with the company's performance (Kellermanns and Eddleston, 2007; Kidwell, et al., 2012). Therefore, harmony positively correlating with a company's capability results in the achievement of their business goals, such as Service Quality (Alpay et al., 2008).

Therefore, the relationship between Harmony and Service Quality should not be negative unless their relationship is nonlinear. To study the nonlinear relationship, we ran an analysis using SmartPLS (PLS-SEM), which examines the quadratic effects or nonlinear effects of two constructs of a structural model (Henseler and Ringle, 2015).

As Path 7 uses an additional SEM technique, H7 will be further discussed in Stage 4.

Path 8: is the path from Service Quality to Loyalty. The standardised

parameter estimate is 0.80 at $\alpha \leq 0.05$ (one-tailed). Therefore, **H8, which indicates a positive relationship between Service Quality and Loyalty**, is supported. The result is consistent with those of Al-hawari (2015), Ismail, Zaki and Rose (2016), and Brady and Robertson (2001). According to Al-hawari (2015), Ismail, Zaki and Rose (2016), and Brady and Robertson (2001), effective management of Service Quality may involve approaches that service marketers utilise to ensure the integrity and excellence of their operations. These approaches automatically result in good rapport with customers. Such quality of service enables a company to retain and expand its existing customer base. Nonetheless, Sindwani and Goel (2016) pointed out that the Service Quality of automated banking services has significant impact on Loyalty. In addition, Beigi, Jorfi, Tajarrood and Beigi (2016) also found that the Service Quality of online banking has positive effect on Loyalty of customers. According to Beigi et al. (2016), 385 customers were chosen from the Agricultural Bank of Khuzestan Province (Iran) to participate in the research, and Structural Equation Modeling (SEM) was adopted. Particularly, high Service Quality can also maintain the Loyalty of customers. Customers are satisfied with service companies that consistently meet their needs and desires. Therefore, Service Quality produces customer Loyalty and ensures repeated patronage of company services.

Six of the eight proposed hypotheses are examined in this stage. H6 and H7 will be discussed in the next stage.

Stage 4: Assessment of the Interaction Effect and the Quadratic Effect

In the previous section, H6 indicates that the possibility of interaction of Ren Orientation to Service Quality. In testing H7, the negative path coefficient indicates the possibility of non-linear relationship between Harmony and Service Quality.

Stage 3 examines H1, H2, H3, H4, H5 and H8.

However, both H6 and H7 need further analysis is required to deal with the interaction effect and the quadratic effect of the structural model. And therefore, both H6 and H7 will be examined by SmartPLS later.

Before discussing the results of the interaction effect and quadratic effect of the structural model, the results of AMOS and those of SmartPLS were compared. AMOS is covariance-based SEM (CB-SEM) software, whereas SmartPLS is partial least square SEM (PLS-SEM) software. SmartPLS was adopted to deal with the interaction effect and the quadratic effect that cannot be dealt with by AMOS (Henseler and Ringle, 2015; Hair et al. (2014). According to Esposito Vinzi, Chin, Henseler and Wang (2010), PLS is a predictive software and AMOS is confirmatory software. In addition, AMOS cannot calculate the interaction effect but convergent validity. PLS cannot calculate goodness of fit because of the predictive nature.

Table 5.24 shows that the standardised parameter estimates for all paths between the two methods (CB-SEM and PLS-SEM) are close (Hair et al., 2014).

Table 5.24: Comparison of the results between AMOS and SmartPLS

Hypothesis / Path		Estimates (AMOS)	Estimates (PLS)
1	Customer Ren Orientation → Harmony	0.41*	0.43*
2	Customer Ren Orientation → Business Relationship	0.10*	0.14*
3	Harmony → Business Relationship	0.76*	0.72*
4	Customer Ren Orientation → Service Quality	0.01	0.09
5	Business Relationship → Service Quality	0.20*	0.21*
6	Customer Ren Orientation + Business Relationship → Service Quality	NA	0.12*
7	Harmony → Service Quality	-0.10	-0.14*
8	Service Quality → Loyalty	0.80*	0.85*

* $\alpha \leq 0.05$ (one-tailed)

Estimates: Standardised Parameter Estimates

PLS technique was used to examine H6, which was not discussed in the previous stage, as AMOS could not deal with the interaction effect. We need to use both PLS and AMOS softwares in this study as each one of them performs its unique function which cannot be replaced by the other. For example, PLS is a predictive software and AMOS is confirmatory software (Esposito Vinzi et al., 2010). Moreover, AMOS cannot calculate the interaction effect but convergent validity. PLS cannot calculate goodness of fit because of the predictive nature.

According to Hair et al. (2014), SmartPLS can efficiently obtain the interaction effect of a structural model. It can also be used to examine the quadratic effect of Harmony on Service Quality required to further explore H7.

H6, as represented by Path 6 on Table 5.23, indicates the path from Customer Ren Orientation to Business Relationship on Service Quality. The standardised parameter estimate is 0.12, which is significant at $\alpha \leq 0.05$. Thus, **H6, which indicates an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality, is supported.** The higher the

Customer Ren Orientation is, the higher the relationship between Business Relationship and Service Quality. No straightforward comparison could be made because no prior empirical research conducted by other scholars that examined this hypothesis could be found. Thus, the result of this study is new, as it confirms that Customer Ren Orientation has an important role to play in the Business Relationship and Service Quality of businesses.

With respect to H7, which is indicated by Path 7 in Table 5.25, the quadratic coefficient estimated by SmartPLS is -0.14, which is significant at $\alpha \leq 0.05$. Although the path coefficient is negative, part of the relationship between Harmony and Service Quality is positive given its nonlinear nature. The result is encouraging as it partially supports H7, which will be further explained by the example in Figure 5.13.

Figure 5.13 shows an upward concave curve of the quadratic effect between Harmony and Service Quality. When Harmony increases from 0 at Point A to 5 at Point B, Service Quality increases from 0 to 24 accordingly. When Harmony reaches 5 at Point B in Figure 5.13, Service Quality is at 24, its maximum point. Therefore, starting from Point A to Point B, the relationship between Harmony and Service Quality is positive. After this point, even when Harmony increases from 5 at Point B to 10 at Point C, Service Quality decreases from 24 to 0. Therefore, starting from Point B to Point C, the relationship between Harmony and Service Quality is negative. This result indicates the diminishing return of Harmony on Service Quality (Henseler and Ringle, 2015). **Thus, H7 is partially supported.** This discovery is new as no prior empirical research conducted by other scholars could be found, and no straightforward comparison could be made. The implications of this finding will be discussed in Chapter Six.

Figure 5.13: Quadratic Effect of Harmony on Service Quality

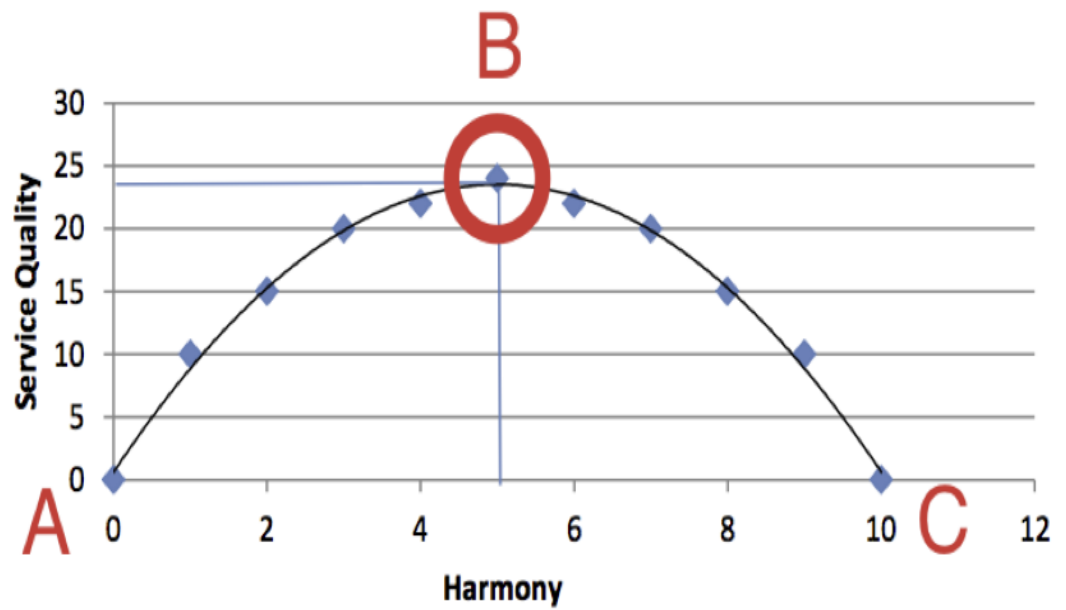
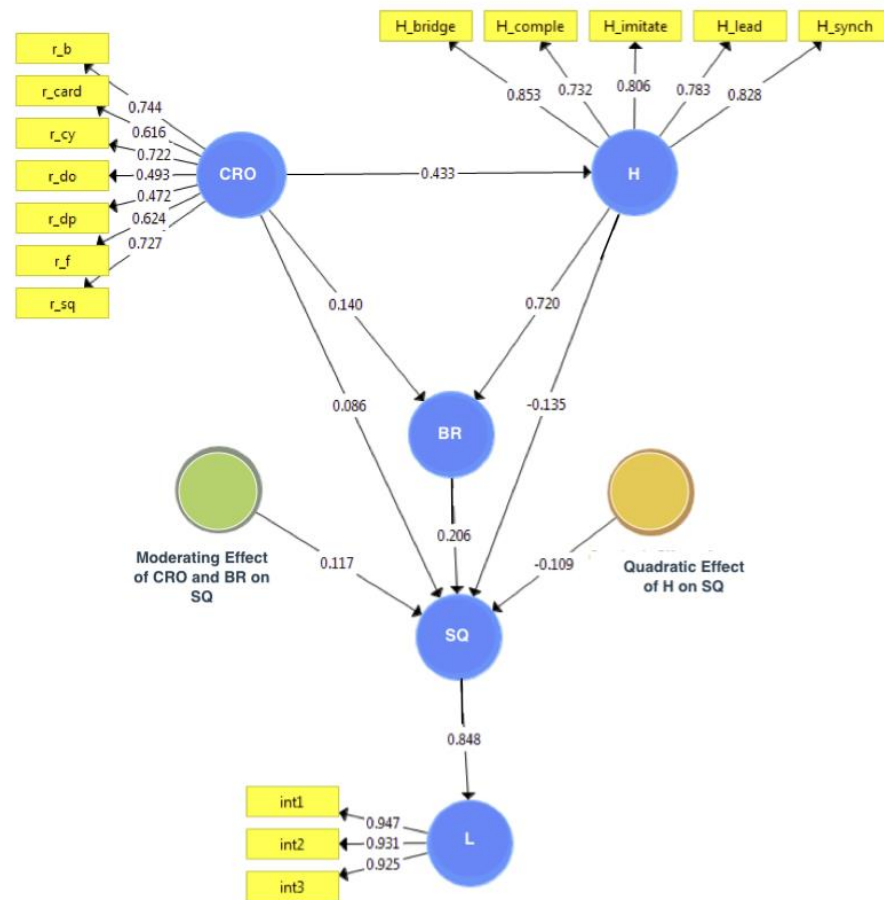


Figure 5.14: Structural Model of Customer Ren Orientation (SmartPLS)



Legend: CRO – Customer Ren Orientation, H – Harmony, BR – Business Relationship, SQ – Service Quality, L - Loyalty

In sum, the final model comprises eight paths and eight hypotheses. Seven out of the eight hypotheses discussed in Chapter Three are supported. The results of the hypotheses tests are summarised in Table 5.25.

Table 5.25: Summary of the Hypothesis Testing

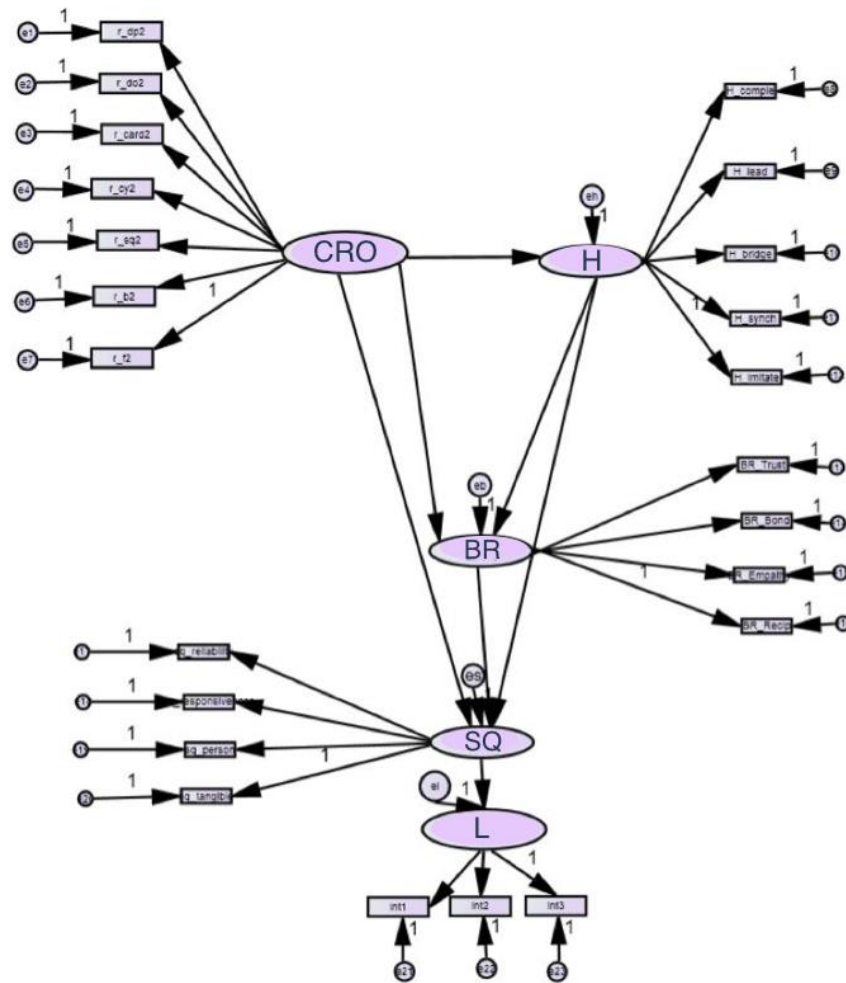
Hypotheses		Result
H1	There is a positive relationship between Customer Ren Orientation and Harmony.	Supported
H2	There is a positive relationship between Customer Ren Orientation and Business Relationship.	Supported
H3	There is a positive relationship between Harmony and Business Relationship.	Supported
H4	There is a positive relationship between Customer Ren Orientation and Service Quality.	Rejected
H5	There is a positive relationship between Business Relationship and Service Quality.	Supported
H6	There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality.	Supported
H7	There is a positive relationship between Harmony and Service Quality.	Partially Supported
H8	There is a positive relationship between Service Quality and Loyalty.	Supported

5.4 Direct, Indirect and Total Effects

In the previous section, three steps of assessing the structural model of Customer Ren Orientation and the results of the hypothesis testing were reported. In this section, the direct, indirect and total effects are explored to ascertain an overall picture of the structural model of Customer Ren Orientation and the contribution of endogenous variance (Hayes, 2013).

Generally, the exogenous variable has a direct and/or indirect effect on the endogenous variable through a mediator or moderator. Table 5.26 summarises the direct, indirect and total effects between endogenous and exogenous variables to easily determine the effects of exogenous variables on endogenous variables. In this thesis, the exogenous variable is Customer Ren Orientation, and the endogenous variables are Harmony, Business Relationship, Service Quality and Loyalty.

Figure 5.15: Structural Model of Customer Ren Orientation and its Constructs



Chi Square=423.675 Df=214 p=.000

Normed Chi Square=1.980

GFI=.914 CFI=.967 NFI=.936

RMSEA=.051 SRMR=.0552

Legend: CRO – Customer Ren Orientation, H – Harmony, BR – Business Relationship, SQ – Service Quality, L – Loyalty

Table 5.26: Summary of the Direct, Indirect and Total Effects between Endogenous and Exogenous Variables

Kind of Effect	Variables	Harmony	Business Relationship	Service Quality	Loyalty
Direct Effect	Customer Ren Orientation	0.43*	0.14*	0.09	-
	Harmony		0.72*	-0.14*	-
	Business Relationship			0.21*	-
	Service Quality				0.85*
Indirect Effect	Customer Ren Orientation	-	0.31*	0.03*	
	Harmony		-	0.15*	
	Business Relationship			-	
	Service Quality				-
Total Effect	Customer Ren Orientation	0.43*	0.45*	0.12*	
	Harmony		0.72*	0.01*	
	Business Relationship			0.21*	
	Service Quality				0.85*

* $\alpha \leq 0.05$ (one-tailed)

Table 5.27: R Square Estimates

	Estimate
Harmony	0.187
Business Relationship	0.625
Service Quality	0.046
Loyalty	0.719

The size of the effect can be explained by the estimated standardised path coefficients. Particularly, the total effect, direct effect and indirect effect of each variable can help explain the size of the effect such as on Loyalty. According to Hayes (2013), the path coefficient of a model is related to the regression coefficient. That is, an increment in the exogenous variable leads to an increment in the endogenous variable. The total effect is important for path analysis because it is the summation of the direct and indirect effects (Hayes, 2013; Kline, 2005). The total effect can determine how much two constructs that change by an increment on the independent variable are estimated to adjust on the dependent variable.

For example, as shown in Table 5.26, the total effect (0.43) of Customer Ren Orientation on Harmony is equal to the direct effect (0.43) as no indirect effect or no mediator exists. This result is a high percentage, which means that Customer Ren Orientation has a positive and large effect on Harmony. Table 5.27 shows that the R square estimate of Harmony is high at 0.187. A one-tailed significant test used as the positive side of the relationship between Customer Ren Orientation and Harmony was considered and applied to all hypotheses. Therefore, **H1**, which states **a positive relationship between Customer Ren Orientation and Harmony**, is confirmed. As no prior empirical research conducted by other scholars could be found that examined this hypothesis, no straightforward comparison could be made. However, this finding confirms the propositions discussed in Bannister and Kearns (2013), Donnelly (2004) and Ward and Liu (2012). According to the first two studies, tolerance is one tool that helps citizens overcome the cultural difference in the city, and overcoming it leads to societal harmony. Therefore, the result is consistent with the results of previous studies.

In addition, Table 5.26 also shows that the total effect (0.45) of Customer Ren Orientation on Business Relationship is the summation of the direct effect (0.14), and the indirect effect through Harmony, 0.31 [0.43 x 0.72] (see Figure 5.12). Table 5.27 indicates that the R square estimate of Business Relationship is 0.625, which is high. Therefore, **H2**, which indicates a positive

relationship between Customer Ren Orientation and Business Relationship, is supported. As no preceding research by other scholars assessing this hypothesis was found, no straightforward comparison could be conducted. Therefore, this finding supports the proposition discussed in Chapter 3. The result confirms a more specific relationship between Customer Ren Orientation and Business Relationship, not just a general relationship between partners in daily life based on the teachings of Confucianism (Husted, 2012) and Tao Te Ching (Le Guin, 2009). More importantly, the result of the study is applicable to the business sector. Therefore, the finding adds to our knowledge.

The total effect (0.72) of Harmony on Business Relationship is equal to the direct effect (0.72), as no indirect effect or no mediator exists. This result is a high percentage, which means that Harmony has a positive and large effect on Business Relationship. Therefore, **H3, which indicates a positive relationship between Harmony and Business Relationship**, is affirmed. The result is also consistent with those of Kidwell, Kellermanns and Eddleston (2012), Chan et al. (2011) and Chow and Yau (2010). According to Kidwell, Kellermanns and Eddleston (2012), family harmony customs and equality perceptions are adversely correlated with family obstacle. Similarly it can be suggested that harmony can help remove business limitations. Some important research findings are related to the above situation. Harmony is important for good family functioning (Chan et al., 2011).

The total effect (0.12) of Customer Ren Orientation on Service Quality is the sum of the direct effect (0.09) and the indirect effect through Business Relationship, 0.03 [0.14 x 0.21] (see Figure 5.12). As shown in Table 5.27, the R square estimate of Service Quality is 0.046. Therefore,

Thus, **H4, which indicates a positive relationship between Customer Ren Orientation and Service Quality**, is not supported.

Nonetheless, based on the literature review in Chapter Three, the findings seem unreasonable. As mentioned in Chapter Three, if service providers do not take advantage of others, have better performance or use heart to serve

customers, they will provide better Service Quality to customers (Hartz, 2009; Tang, 2015; Dubois, 2011).

Therefore, the relationship between Customer Ren Orientation and Service Quality should not be rejected. We suspected that there was a mediator between Customer Ren Orientation and Service Quality. To further study the relationship between Customer Ren Orientation and Service Quality, we explored the direct, indirect and total effects of the exogenous variable, Customer Ren Orientation and on other endogenous variable, Service Quality in Section 5.4. , and the implications are discussed in Chapter Seven.

Table 5.26 shows that the total effect (0.01) of Harmony on Service Quality is the sum of the direct effect (-0.14) and the indirect effect through Business Relationship, 0.15 [0.72×0.21] (see Figure 5.14).

As no indirect effect or no mediator exists, the total effect (0.21) of Business Relationship on Service Quality is equal to the direct effect (0.21) (see Figure 5.14). Therefore, **H5, which indicates a positive relationship between Business Relationship and Service Quality**, is supported. The result is consistent with those of Mak, Wong and Chang (2011) and Sin et al. (2005). Having a good customer relationship is a critical success factor that affects the Service Quality of the service provider (Mak et al., 2011). Service providers should try to care more about the emotional needs of customers. Therefore, if service providers are more empathic toward their customers, Service Quality will increase to meet the needs of the customers (Sin et al., 2005). Businesses can rely on the strong cooperation between two firms to influence later strategic positions (Acosta, 2015; Juárez Acosta, 2014).

Moreover, as no indirect effect or no mediator exists, the total effect (0.85) of Service Quality on Loyalty is equal to the direct effect (0.85) (see Figure 5.14). Table 5.27 indicates that the R square estimate of Loyalty is high at 0.719. Therefore, **H8, which indicates a positive relationship between Service Quality and Loyalty**, is supported. The result is consistent with those of Al-hawari (2015), Ismail, Zaki and Rose (2016), and Brady and Robertson

(2001). According to Al-hawari (2015), Ismail, Zaki and Rose (2016), and Brady and Robertson (2001), effective management of Service Quality may involve approaches that service marketers utilise to ensure the integrity and excellence of their operations. Therefore, Service Quality produces customer Loyalty and ensures repeated patronage of company services.

Hypotheses 1 to 8 (except H4 and H6) received strong support. In addition, the path analysis showed four new discoveries.

Table 5.26 shows that the direct effect (0.09) of Customer Ren Orientation on Service Quality is statistically insignificant at $\alpha \geq 0.05$, and the indirect effect (0.03) is statistically significant at $\alpha \leq 0.05$. A mediation effect exists between Customer Ren Orientation and Service Quality, and the mediator variable is Business Relationship.

Given the above new discovery, we ran SmartPLS to determine whether any interaction effect or moderating effect exists among Customer Ren Orientation, Business Relationship and Service Quality. As indicated in Figure 5.14, the moderating effect of Customer Ren Orientation and Business Relationship on Service Quality is 0.12, which is statistically significant at $\alpha \leq 0.05$. Therefore, **H6, which indicates an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality** and Customer Ren Orientation as the moderator variable, is supported. No straightforward comparison could be made because no preceding research that examined this hypothesis conducted by other scholars could be found. This finding confirms the proposition discussed in Chapter Three. The understanding of the practice of customers' Ren by the staff of the service organisation actually has made a great difference in terms of quality of service delivered by the service provider. Given that Business Relationship affects Service Quality as indicated in Hypothesis 5, a customer with the practice of Customer Ren Orientation will enhance the Business Relationship with the restaurant (Deshmukh and Mohan, 2016; Domínguez, Garrido and Orcos, 2016; Beamish and Lupton, 2016) which in return might create higher perceived service quality by the customer.

The direct effect (-0.14) of Harmony on Service Quality is statistically significant at $\alpha \leq 0.05$, and the indirect effect (0.15) is statistically significant at $\alpha \leq 0.05$ (Table 5.26). A mediation effect exists between Harmony and Service Quality, and the mediator variable is Business Relationship.

Given the above discovery of the negative direct effect (-0.14) of Harmony on Service Quality, we ran SmartPLS to determine whether a quadratic effect of Harmony on Service Quality exists. As shown in Figure 5.14, the quadratic effect of Harmony on Service Quality is -0.11, which is statistically significant at $\alpha \leq 0.05$. Therefore, Harmony has a quadratic effect on Service Quality, and Harmony in a nonlinear form has a direct effect on Service Quality. Therefore, **H7, which indicates a positive relationship between Harmony and Service Quality**, is partially supported. No direct comparison could be made as no previous research that examined this hypothesis conducted by other scholars could be found. Nonetheless, this finding partially confirms the proposition discussed in Chapter 3. As indicated in Chapter Three, in terms of the benefits of harmony, evidence shows that harmony leads to good service quality of a business. For example, harmony is an important element that contributes to providing a positive environment for ethical behaviour (Kidwell, Kellermanns and Eddleston, 2012). A harmonious relationship in a company like that in a family is correlated with the company's performance (Kellermanns and Eddleston, 2007; Kidwell, et al., 2012). Therefore, harmony positively correlating with a company's capability results in the achievement of their business goals, such as Service Quality (Alpay et al., 2008).

Table 5.28: Results of the Hypothesis Testing

Hypotheses		Result
H1	There is a positive relationship between Customer Ren Orientation and Harmony.	Supported
H2	There is a positive relationship between Customer Ren Orientation and Business Relationship.	Supported
H3	There is a positive relationship between Harmony and Business Relationship.	Supported
H4	There is a positive relationship between Customer Ren Orientation and Service Quality.	Rejected
H5	There is a positive relationship between Business Relationship and Service Quality.	Supported
H6	There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality.	Supported
H7	There is a positive relationship between Harmony and Service Quality.	Partially Supported
H8	There is a positive relationship between Service Quality and Loyalty.	Supported

In sum, according to the above results of the path analysis, all proposed hypotheses except H4 are supported (see Table 5.28). Harmony has a quadratic effect on Service Quality. In the next section, the findings of this chapter are summarised.

5.5 Chapter Summary

This chapter presents in detail the data analysis of this thesis involving the development of the measurement scales of Customer Ren Orientation and the business model of Customer Ren Orientation with other constructs, such as Harmony, Business Relationship, Service Quality and Loyalty. The reliability and the validity of the measurement scales used in this research are considered reasonably good quality. CB-SEM and PLS-SEM were adopted to assess the hypothesised structural model of Customer Ren Orientation. AMOS (Version 18) was used for CB-SEM, and SmartPLS (Version 3.16) was used for PLS-SEM. The former software was utilised to assess H1, H2, H3, H4, H5 and H8, and the latter one was adopted to assess H6 and H7. The data fit the business model of Customer Ren Orientation well. GFI, CFI, SRMR, RMSEA and normed chi-square (X^2/df) showed that the data fit reasonably well with the hypothesised model. The results of the data analysis indicate that all proposed hypotheses except H4 are supported. Moreover, a quadratic effect of Harmony on Service Quality was found. The next chapter presents the conclusion, implications, limitations and further studies.

Chapter 6 Conclusions

The previous chapter discussed the data analysis of the study. This chapter presents the summary of the research findings. The first section presents the summary of the research findings. The second section recapitulates the major objectives of the research.

6.1 Summary of the Findings

As mentioned in Chapter Four, the findings of the empirical study held in Hong Kong were presented. The sample was collected using a multi-stage probability sampling method that drew systematically sampled units from the local Hong Kong population in 18 districts. Overall, 384 respondents were interviewed personally in the survey. Using X^2 test, the distribution of the respondents' characteristics was considered generally representative compared with that of the Hong Kong population.

The study placed emphasis on the development of a multi-item scale for measuring Customer Ren Orientation. Although Ren is important both in traditional Chinese values and in business orientation, the concept of Ren has never been empirically examined in a business setting. In this thesis, a Customer Ren Orientation scale and a business model of Customer Ren Orientation were developed on the basis of extant literature review and empirical research.

6.2 Major Objectives of the Research

Two objectives were framed in this research. The following sections report how appropriately the objectives were achieved.

Objective One: To construct a reliable and valid scale for Customer Ren Orientation

Figure 4.2 shows the development of a Customer Ren Orientation scale, which is composed of the following stages:

- Stage 1: Specifying the domain construct
- Stage 2: Generating the sample of items
- Stage 3: Collecting the data
- Stage 4: Purifying the measures
- Stage 5: Assessing the reliability
- Stage 6: Assessing the validity
- Stage 7: Developing the measures of Customer Ren Orientation

As shown in Figure 4.2, all procedures were completed. Table 5.18 presents the methods and results of each stage. Through a literature review and focus group discussions, 37 items were found. After screening by an expert panel, 31 items remained. After item analysis, two items were discarded.

Following all stages of the scale development indicated in Figures 4.1 and 4.2, a set of 22 items from 7 dimensions was obtained and assessed in terms of reliability and validity using more than one method or indicator.

The model of Customer Ren Orientation has two parts: Value Ren and Instrumental Ren. Value Ren is the shared belief system of four dimensions of Customer Ren Orientation: Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order and Adherence to Rationality. Instrumental Ren is the process through the action of Ren and embraces three dimensions of Customer Ren Orientation: Preference for the Status Quo, Moving Forward and Moving Backward.

For reliability, Cronbach's α , split-half reliability and composite reliability were adopted. For validity, construct validity, discriminant validity, convergent validity and criterion validity were examined using AMOS Windows version 18 (Arbuckle, 2003). Overall, the measurement of Customer Ren Orientation was considered reliable and valid (see Table 5.18).

Objective Two: To develop a conceptual model of Customer Ren Orientation that conceptually relates Customer Ren Orientation to Harmony, Business Relationship, Service Quality and Loyalty

After discussing objective one, this section explains the second objective of the study.

The conceptual model of Customer Ren Orientation that relates Customer Ren Orientation to Harmony, Business Relationship, Service Quality and Loyalty was assessed.

CB-SEM and PLS-SEM were adopted to assess the hypothesised structural model of Customer Ren Orientation. AMOS (Version 18) was used for CB-SEM, and SmartPLS (Version 3.16) was used for PLS-SEM. The former software was utilised to assess H1, H2, H3, H4, H5 and H8, and the latter was adopted to assess H6 and H7. The data fit the business model of Customer Ren Orientation well. GFI, CFI, SRMR, RMSEA and normed chi-square (X^2/df) show that the data of the research fit reasonably well with the hypothesised model. Table 6.1 presents a summary of the results of the hypothesis testing. All proposed hypotheses were supported. Moreover, a quadratic effect of Harmony on Service Quality was found.

Table 6.1: Results of the Hypothesis Testing

Hypotheses		Result
H1	There is a positive relationship between Customer Ren Orientation and Harmony. That is, the higher the level of Ren, the higher the level of harmony between the customer and the company.	Supported
H2	There is a positive relationship between Customer Ren Orientation and Business Relationship. That is, the higher the level of Ren, the better the business relationship between the customer and the company.	Supported
H3	There is a positive relationship between Harmony and Business Relationship. That is, the higher the level of harmony, the better the business relationship between the customer and the company.	Supported and reconfirmed
H4	There is a positive relationship between Customer Ren Orientation and Service Quality. That is, the higher the level of Ren, the higher the level of service quality perceived by the customer.	Rejected
H5	There is a positive relationship between Business Relationship and Service Quality. That is, the better the business relationship, the higher the level of service quality perceived by the customer.	Supported
H6	There is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is, Customer Ren Orientation moderates the relationship between Business Relationship and Service Quality.	Supported
H7	There is a positive relationship between Harmony and Service Quality. That is, the higher the level of harmony, the higher the level of service quality perceived by the customer.	Partially supported
H8	There is a positive relationship between Service Quality and Loyalty. That is, the higher the level of perceived service quality, the higher the level of Loyalty of the customer to the company.	Supported and reconfirmed

These research findings provide inspiring insights to both the academia and business practitioners who will eventually help enhance the marketing and management strategies of a corporation. The implications of the study are discussed in the following chapter.

Chapter 7 Implications

This chapter considers the implications of the research study. The first section gives the theoretical implications and implications for the marketing and management practice of business. The second section presents the limitations of the study and future research.

7.1 Implications of the Study

The study has various important implications in theory and in business, such as in marketing and management.

7.1.1 Theoretical Implications

The study has seven important theoretical implications. As H3 and H8 are the reconfirmations of former studies, they will be discussed briefly only. As H1, H2, H5, H6 and H7 are new discoveries of the study, they will be explained in length.

1. Customer Ren Orientation Scale

The first essential theoretical implication of this study is the creation, development and validation of the first Customer Ren Orientation scale.

As discussed in Chapter Two, the following reasons explain the need for a **Customer Ren Orientation scale**.

Firstly, **Ren has not been investigated yet** in the marketing and management context according to Chinese literature. Although there have been empirical studies about Chinese cultural values since 1980s (Yang, Yip and Wong, 1989), these studies are mainly related to sociology issues but not business or marketing related.

Secondly, **Ren is a value that is highly internalised and practised every day** in Chinese society (Yang, 1992; Hui, 2006; Leung, 1982).

Thirdly, **Ren is important at the individual level**. Ren is an important value

categorised under the Personal Activity Orientation, but it has not been explicitly expressed yet (Yau, 1994).

Fourthly, according to the extant literature reviewed in the latter section of this chapter, Ren is similar to forbearance, but the meaning of **Ren is far deeper in the Chinese context** (Hartz, 2009).

Fifthly, **studies on Ren based on other major Chinese values are lacking**. As explained by Yang (1992), the Chinese culture stresses the quality and value of a group or social orientation. Ren is not a stand-alone value, and related constructs are necessary to build a model of Ren in the business context, which has not yet been studied in empirical research as discussed in Chapter Three.

Sixthly, the Customer Ren Orientation scale developed in this study can be used by other researchers. It establishes an important foundation for other researchers to study Ren in the future. The scale for Customer Ren Orientation can greatly enhance the strategic marketing of a company.

Justifications of the scale for Customer Ren Orientation from Confucianism, Daoism, and Buddhism can be found in Table 7.1, in which seven dimensions of the scale for Customer Ren Orientation are justified by the three main Chinese philosophies such as Confucianism, Daoism, and Buddhism discussed in Chapter Two.

Table 7.1: Justifications of the Scale for Customer Ren Orientation from Confucianism, Daoism, and Buddhism

Dimension	Confucianism, Daoism, and Buddhism
1. Acceptance of Dissimilarity in Personality	<p>Confucianism: People always need to bear the differences of personalities between people Someone may be more parochial than are one's friends (偏狹之忍). Someone may be more stubborn and less intelligent than are one's friends (頑嚚之忍). Someone may feel more dissatisfaction than do one's friends (不滿之忍) (Wu, 2009). (p.75)</p> <p>Buddhism: The teachings of Mahayana Buddhism proclaim the values and worth of Ren, emphasizing the notion that which is deemed unbearable becomes the gateway and path to one's absolute good. This condition demands total sacrifice on the part of the disciple, and complete abstention from causing harm to others by one's body, mind, or speech. (p.55)</p>
2. Accommodating with Varied Opinion	<p>Confucianism: People need to tolerate different opinions from others Analects (trans. Muller 2015) also mention that the superior person can cooperate well with other people although they do not easily agree with others without serious considerations. However, the inferior person agrees with others verbally, but not internally. (《論語•子路》：君子和而不同，小人同而不和。) (Analects, trans. Muller, 2015). (p.76)</p> <p>Daoism: If someone refuses to argue or fight, then who can argue with that person? 夫唯不爭，故天下莫能與之爭 (Dao De Jing, trans. Muller, 2011). (p.49)</p>
3. Observation of Role Order	<p>Confucianism: Five cardinal relationships Zhu Xi says, 'All things have their own nature and unique feature. For example, consider the cases of the monarch, minister, father, and son. A person who possesses the characteristics of a monarch can be the monarch; a person who possesses the characteristics of a minister can be the minister; a person who possesses the characteristics of a father can be the father; a person who possesses the characteristics of a son can be the son (Zhu, Yen and Liu, 2002). (P.42)</p>
4. Adherence to Rationality	<p>Confucianism: The Doctrine of the Mean The Doctrine of the Mean (trans. Legge 1969) is one of the Four Books of Confucian philosophy. Such Doctrine states that, if no intermingling of pleasure, anger, sorrow, and joy exists, then the mind remains in a state of equilibrium and balance. If these feelings are controlled and expressed appropriately, then the mind</p>

	will be at peace and in a state of harmony with its surroundings. Such equilibrium is the foundation of all peaceful and progressive existence, and harmony with oneself and the outer world is the path by which to pursue perfection. If both equilibrium and harmony are achieved, then the actions of heaven and earth will naturally flourish, and all things will be nourished 喜怒哀樂之未發,謂之中;發而皆中節,謂之和。中也者,天下之大本也;和也者,天下之達道也。致中和,天地位焉,萬物育焉 (The Doctrine of the Mean, trans. Legge, 1969). (p.44)
5. Preference for the Status Quo	<p>Confucianism: Analects (trans. Muller 2015) suggests to stay still with a peaceful attitude when handling all challenges (以不變應萬變). (p.81)</p> <p>Confucianism: Self-cultivation To attain the ideal character of a sage, such self-cultivation must continue as a daily lesson and exercise. Self-cultivation also internalises the discipline required for an extensive social harmony. Therefore, benevolence is established through self-control and careful observance 克己復禮為仁 (Analects, 論語, trans. Muller, 2015). Society should adopt such a course, thereby learning how to implement benevolence through humble enquiry and by thorough and careful study. Through self-discipline and self-reflection, the inner values of benevolence are revealed and the manner of its implementation is also clarified. (p.43)</p> <p>Daoism: A self-sufficient person is rich 知足者富 (Dao De Jing, trans. Muller, 2011). (p.49) The way of the sage is to refrain from striving and unnecessary endeavour 聖人之道,為而不爭 (Dao De Jing, trans. Muller, 2011). (p.49) This state can be achieved by remaining satisfied with the present moment and being pleased with the current situation 安時而處順 (Zhuangzi, trans.Wang, 1999). (p.50)</p>
6. Moving Forward	<p>Confucianism: A person must dare to move forward without delay to attain their goal although numerous people may object to one's decision (雖千萬人吾往矣) (Mencius, trans. Legge, 1960). (p.83)</p>
7. Moving Backward	<p>Confucianism: Life mission This idea echoes Confucius' teaching: to 'cultivate oneself, keep one's family in order, manage the country, bring peace to the world' 修身、齊家、治國</p>

	<p>、平天下. This lesson is the life mission of a superior person (Great Learning, trans. Muller, 2015). (p.43)</p> <p>Daoism: Retreat</p> <p>One of the major teachings of Daoism is self-development. Retreat may provide a tranquil place for developing one's inner self (Raz, 2011; Kohn, 2003). The way of the sage is to refrain from striving and unnecessary endeavor (Dao De Jing, trans. Muller, 2011). (p.85)</p>
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In addition, the concept of Ren is not exactly the same as the concept of forbearance in the Western culture. To further justify the scale for Customer Ren Orientation, the similarity and difference between the scale for Customer Ren Orientation and the scale of forbearance (Markóczy, Vora and Xin, 2009) are discussed as follows:

Similarity

The scale for Customer Ren Orientation has seven dimensions i.e. Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, Adherence to Rationality, Preference for Status Quo, Moving Forward and Moving Backward. Among four dimensions of the scale of forbearance (FO), two of them Chinese dimensions, Harmony and Protecting company resources). Only the first dimension of Chinese dimension (Harmony) of FO is similar to Customer Ren Orientation's first and second dimensions (Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion). The second Chinese dimension (Protecting company resources) of FO is Human Resource Management related and therefore this dimension is irrelevant to Customer Ren Orientation which is related to consumer behaviour.

Difference

1. The scale for Customer Ren Orientation is the first customer-oriented scale but the scale of forbearance is for the Human Resource Management purpose.
2. The scale for Customer Ren Orientation tends to be more comprehensive and has included Value Ren and Instrumental Ren and seven dimensions; whereas FO does not.
3. FO uses Harmony as a dimension, which is an equally important indigenous Chinese value which should be studied separately; whereas in my study, the relationship between Customer Ren Orientation and Harmony have been studied separately. Importantly, in my thesis, an empirical study was conducted to explore the effects of Customer Ren Orientation on Harmony, Business Relationship, Service Quality and Loyalty in the context of the

Chinese culture.

4. FO has been labelled by Markóczy, Vora and Xin (2009) as forbearance dimensions and the dimensions were borrowed from Farh et al. (1997) in the Organisational Citizenship Behaviour (OCB) model. Actually, Farh et al. (1997) has not mentioned forbearance dimensions directly in the OCB model. Rather, the major purpose of Farh et al. (1997) was to study the dimensions of Organisational Citizenship Behaviour. In my study, a two-stage research design was adopted to gather relevant data: the qualitative research and the quantitative research to study the scale for Customer Ren Orientation. Sections 4.2 and 4.3 discuss the two-stage research design (see Figure 4.1). Figure 4.1 was adapted from Churchill (1979), Yau (1994) and DeVellis (2003).

Based on the above comparison, the scale for Customer Ren Orientation tends to be a more reliable and valid scale than the scale of forbearance (Markóczy, Vora and Xin, 2009) to measure the Customer Ren Orientation in the business-to-customer context.

In addition, as mentioned in Chapter 2, in Western society, the concept of Ren seems to be closely related to four Western theories, namely, economic exchange theory, equity theory, social exchange theory, and theory of indebtedness.

The result is consistent with some of the Western theories particularly for the dimension of **Adherence to Rationality**.

Under economic exchange theory, people have a tendency to get involved in activities that can simultaneously minimise their costs and maximise their rewards (Mitchell, Cropanzano, and Quisenberry, 2012; Becker, 1974). Individuals are **highly rational** that they will calculate the best outcome based on the costs and rewards of the transaction (Becker, 1974).

Equity theory emphasises the **fairness of the activity or transaction** (Adam,

1965; Morand and Merriman, 2012). Inequitable exchanges, whether under-benefiting or over-benefiting one of the two parties, may halt the relationship of the two parties (Wagner, Eggert, and Lindemann, 2010).

Based on this theory, reciprocity refers to interpersonal exchanges in the non-economic social environment (Emerson, 1976; Gouldner, 1960; Homans, 1958; Thibault and Kelley, 1959). **Rational individuals** also aim to minimise the cost and maximise the benefit in social interactions (Thibault and Kelley, 1959).

Under the theory of indebtedness, favours offered by the giver form a social indebtedness on the receiver, who is **obliged to reciprocate the favours** to the former (Gouldner, 1960; Green et al.). The inability to provide benefits to the giver may cause the receiver's sense of guilt, anger, and reduced self-worth (Neufeld and Harrison, 1998).

The dimension of Adherence to Rationality can be found from the Western theories of economic exchange theory (Mitchell, Cropanzano, and Quisenberry, 2012; Becker, 1974), equity theory (Adam, 1965; Morand and Merriman, 2012), social exchange theory (Cropanzano and Mitchell, 2005; Emerson, 1976; Gouldner, 1960; Homans, 1958; Thibaut and Kelley, 1959), and theory of indebtedness (Gouldner, 1960; Green et al., 1980). However, the Western theories seem to ignore the other dimensions of Customer Ren Orientation such as Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, Preference for the Status Quo, Moving Forward and Moving Backward.

Lastly, the development of a Customer Ren Orientation scale is **timely**. Customer Ren Orientation can help in the development of marketing and management studies. Recently, a need for empirical research on Chinese cultural values has emerged (Wang, Rao, Angela and Vorhies, 2015; Barkema, Chen, George, Luo and Tsui, 2015). In addition, **a Customer Ren Orientation scale** is necessary to empirically and thoroughly study the relationship between Customer Ren Orientation and other constructs.

Therefore, this study fills the research gap by developing the first measurement model of Customer Ren Orientation. The Customer Ren Orientation scale was assessed by various reliability and validity tests. This study offers a comprehensive and operationally valid Customer Ren Orientation scale that contributes to the study of Chinese marketing and business.

2. Customer Ren Orientation serves as an antecedent of Harmony and Business Relationship

As shown in Table 5.24, Customer Ren Orientation serves as an antecedent of Harmony and Business Relationship, but does not serve as an antecedent of Service Quality, which are discussed one by one in this section to demonstrate that Customer Ren Orientation is a significant predictor of a number of dependent variables, such as Harmony and Business Relationship. Though H4, which indicates a positive relationship between Customer Ren Orientation and Service Quality, was not supported, the relationship between Customer Ren Orientation and Service Quality is also discussed in this section.

Relationship between Customer Ren Orientation and Harmony

Customer Ren Orientation serves as an antecedent of Harmony. The results confirm that a positive relationship exists between Customer Ren Orientation and Harmony.

This discovery is significant as Customer Ren Orientation serves as a significant antecedent of Harmony. According to Chow (2004) and Chow and Yau (2010), Harmony is an important Chinese value in the Chinese community. It is an important indigenous Chinese value that can predict people's deeds (Kidwell, Kellermanns and Eddleston, 2012). Generally, harmony refers to the demand for steering clear from conflicts (Tjosvold, Hui and Law, 2001). Harmony is adopted as an instrument to avoid trouble (Leung, 1997).

As mentioned in Chapter Three, Ren is one of the key factors in Confucianism that contributes to the building of a harmonious society with Li (禮) and law. People should serve their role in the Chinese society so that everyone can live harmoniously (Legge, 1960).

Moreover, compromising with other beings and the natural environment is an important expression of the spirit of Daoism and Buddhism (Husted, 2012). In Daoism, rejecting personal desires can help individuals attain transcendence (Section 2.4.2), which in turn creates a state of harmony in society. As suggested by Loazi, another virtue of Ren that can also achieve harmony is being a contented person (Section 2.4.2). Similarly, selflessness according to Buddhism is one of the virtues of Ren that can also lead to a harmonious society (Section 2.4.3). As a result, Ren can make people accept their differences to attain harmony (Xi, 2009).

Conflicts may be more accepted in the Western culture; whereas harmony is preferred in the Chinese culture. Based on the Thomas–Kilmann model, five conflict management styles exist: competing, collaborating, accommodating,

avoiding and compromising (Thomas, 1976). The Western culture promotes an active approach to conflict management (i.e. competing), whereas Chinese people typically choose to avoid conflicts (Ting-Toomey, 1988). Competing refers to showing more concern for oneself than for others, and avoiding means showing more concern for others than for oneself (Thomas, 1976).

In sum, Ren plays a significant role in the implementation of Harmony in the service sector and at the individual level in the Chinese community. Harmony itself is enriched by the practice of Ren, which is an important antecedent of attaining Harmony. Based on the results of this study, Ren can enhance how Harmony works in the Chinese community.

Relationship between Customer Ren Orientation and Business Relationship

Customer Ren Orientation serves as an antecedent of Business Relationship, as the results confirm that a positive relationship exists between Customer Ren Orientation and Business Relationship. Again, this discovery is important as Customer Ren Orientation serves as a significant predictor of Business Relationship.

Customer Ren Orientation acts as a moderator of Business Relationship on Service Quality. As shown in Figure 5.14, the moderating effect of Customer Ren Orientation and Business Relationship on Service Quality is 0.12, which is statistically significant at $\alpha \leq 0.05$. Therefore, H6, which indicates an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality and Customer Ren Orientation as the moderator variable, is supported.

As explained in Chapter Three, Ren is an effective way to maintain social order and relationships within society (Balliet, Li, Norman and Joireman, 2011). Particularly, Ren is essential in maintaining interpersonal relationships in Chinese society (Wong and Leung, 2001). To establish comprehensive relationships with customers in the community, companies need to consider four important issues: bonding, empathy, reciprocity and trust (Yau, 2000;

Luk et al., 2008).

Interdependence, or working or living in society, should be like water that can adapt to different situations without creating any trouble. According to Tao Te Ching (Le Guin, 2009), people need to cooperate with others to achieve the synergistic effects of collaborative efforts in the business world. Therefore, Ren that enhances the Business Relationship among people emerges as a new and important proposition in the literature (Pettersen and Rokkan, 2006).

In summary, the result of this study confirms that Ren can play an instrumental role in the prediction of a Business Relationship in the Chinese community. Business Relationship itself is enhanced by the practice of Ren, which is an important antecedent of establishing a good relationship between the service provider and the customer.

Relationship between Customer Ren Orientation and Service Quality

Customer Ren Orientation does not serve as an antecedent of Service Quality, as the results do not confirm that a positive relationship exists between Customer Ren Orientation and Service Quality. The findings seem unreasonable. Based on the findings in Chapter Three, if service providers do not take advantage of others, have better performance or use heart to serve customers, then they will provide better Service Quality to customers (Hartz, 2009; Tang, 2015; Dubois, 2011). Although Customer Ren Orientation does not directly play a contributory role in the prediction of Service Quality in the service organization, the impact of Customer Ren Orientation as a moderator of Business Relationship on Service Quality and the moderating effect are significant. The moderating role of Customer Ren Orientation will be discussed in the next section.

3. Interaction Effect of Customer Ren Orientation and Business Relationship on Service Quality

Customer Ren Orientation and Business Relationship serve as antecedents of Service Quality and the results of the study confirm that the hypothesis that Customer Ren Orientation and Business Relationship have an interaction

effect on Service Quality. The following is another important finding: Customer Ren Orientation plays a significant role in enhancing the connection between Business Relationship and Service Quality. As discussed in Chapter Five, Customer Ren Orientation moderates Business Relationship and Service Quality.

In addition, Business Relationship serves as a mediator between Customer Ren Orientation and Service Quality. Table 5.26 shows that the direct effect (0.09) of Customer Ren Orientation on Service Quality is statistically insignificant at $\alpha \geq 0.05$, and the indirect effect (0.03) is statistically significant at $\alpha \leq 0.05$. A mediating effect exists between Customer Ren Orientation and Service Quality, and the mediator variable is Business Relationship.

As discussed in Chapter Three, Customer Ren Orientation with Business Relationship is important in Service Quality. Thus far, researchers have not conducted studies in this aspect. However, as shown in Figure 3.2, H2 and H4 indicate the relationship between Customer Ren Orientation and Business Relationship, and between Customer Ren Orientation and Service Quality, respectively. Customer Ren Orientation affects both Business Relationship and Service Quality. However, Customer Ren Orientation itself may not directly and significantly affect the Service Quality of a service provider. Given a good Business Relationship between the customer and the service provider, Customer Ren Orientation leads to an additional effect on the Service Quality. For example, Cathay Pacific Airways had a loyal customer who was also a Marco Polo member. The staff of Cathay Pacific Airways learnt it very well that this customer only liked to eat salad in his meal and therefore the staff offered him a double size of salad as token of appreciation for his repeat patronage. In this case, it explains that the practice of Ren by the service provider can actually enhance the relationship with the customer and thus better quality of service was offered to satisfy its loyal customer.

As indicated in Figure 5.12, the moderating effect of Customer Ren Orientation and Business Relationship on Service Quality is 0.12, which is

statistically significant at $\alpha \leq 0.05$. Therefore, **H6, which indicates an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality** and that the moderator variable is Customer Ren Orientation, is supported. This finding largely contributes to the literature.

In this study, although we understand Business Relationship has a direct influence on the Service Quality of a service provider, Customer Ren Orientation can strengthen the connection between Business Relationship and Service Quality. Relying only on the practice of Ren may not have sufficient influence to affect the Service Quality improvement of the service provider. Rather, given a good Business Relationship between the customer and the service provider, Customer Ren Orientation leads to an additional effect on the Service Quality. The theoretical implication is that Customer Ren Orientation moderates Business Relationship and Service Quality.

4. Quadratic Relationship between Harmony and Service Quality

The fourth theoretical implication of this study is the confirmation that a negative relationship exists between Harmony and Service Quality where Harmony serves as an antecedent of Service Quality. As explained in Chapter Three, harmony positively correlates to companies' capability to achieve their business goals, including the Service Quality of the company (Alpay et al., 2008). The marketing and management implications will be discussed later. In investigating the relationship between Harmony and Service Quality by SmartPLS, a quadratic effect of Harmony on Service Quality was found. That is, the higher the level of Harmony is, the higher the level of Service Quality perceived by the customer at the beginning of the interaction. After a period, an optimal level of harmony can lead to the peak of the Service Quality in the business context. Beyond that optimal level, the perception of Service Quality will start to drop, although the Harmony level continues to increase. In business practice, quadratic effects or nonlinear effects show that an optimal return exists between Harmony and Service Quality. Thus, more is not always better (Dijkstra and Henseler, 2011). This breakthrough is significant as Chinese traditionally consider Harmony and Service Quality to be always in a

positive and linear relationship (Chow, 2004). However, according to the findings of this study in Chapter 5, too much Harmony leads to no change or even worse of Service Quality. Australia Dairy Company (澳洲牛奶公司) can be a good example to elaborate the negative relationship between Harmony and Service Quality. This company is so notorious for its demanding and nasty staff who expect customers to maintain Harmony in their restaurant. However, once the Harmony of customers reaches its optimum point, Harmony does not lead to good service quality but the other way round. Once the optimum level of Harmony is reached by the customer, the Service Quality provided by the service provider declines. In the coming section, there will be more discussion on Australia Dairy Company and the practice of Customer Ren Orientation by the competitor which can ensure the repatronage of the existing customers.

Although H6 is only partially supported, the result is encouraging and ground breaking. A diminishing return of Harmony on Service Quality may exist (Henseler and Ringle, 2015).

In Table 5.25, the direct effect (-0.14) of Harmony on Service Quality is statistically insignificant at $\alpha \geq 0.05$, and the indirect effect (0.15) is statistically significant at $\alpha \leq 0.05$. Therefore, Harmony has a mediation effect on Service Quality (but no direct effect), and the mediator is Business Relationship.

Given the above finding of the negative direct effect (-0.14) of Harmony on Service Quality, we ran SmartPLS to further assess if any quadratic effect of Harmony on Service Quality exists. As shown in Figure 5.12, the quadratic effect of Harmony on Service Quality is -0.11, which is statistically significant at $\alpha \leq 0.05$. Therefore, Harmony has a quadratic effect on Service Quality, and Harmony in a nonlinear form has a direct effect on Service Quality. Therefore, **H7, which indicates a positive relationship between Harmony and Service Quality**, is partially confirmed.

5. A Conceptual Model of Customer Ren Orientation

The fifth theoretical implication of this study is the creation, development and validation of a business model of Customer Ren Orientation, which comprises five constructs: Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty. As discussed in Chapter Two, as no other scholars have created a conceptual model of Customer Ren Orientation that can explain the relationship among the different variables, this study has established a good foundation for the study of Customer Ren Orientation in the service industry in the Chinese community. This study can also help future research on Customer Ren Orientation with other variables in the business sector.

Overall, the study found an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. The relationship between Business Relationship and Service Quality is moderated by Customer Ren Orientation. In other words, Customer Ren Orientation can enhance the relationship between Business Relationship and Service Quality. Figure 3.1 in Chapter Three illustrates the relationship among Customer Ren Orientation, Harmony, Business Relationship, Service Quality and Loyalty. Apart from Ren, Harmony is another important indigenous Chinese value that can predict people's deeds (Kidwell, Kellermanns and Eddleston, 2012). Therefore, the second construct is Harmony, which has been previously examined by other scholars (Chow and Yau, 2010; Fang, 2000; Ching, 1995; Tang, 1996). According to the philosophy of Confucianism, human beings are socially connected. In addition, building a good Business Relationship is an important social investment in the community (Yau et al., 2000). Therefore, Business Relationship is the third construct of the model. Maintaining good Business Relationship is important to enhance the Service Quality of a business (Chow and Yau, 2010). Therefore, the fourth construct of the model is Service Quality. High Service Quality can also maintain the Loyalty of customers. Customers are satisfied with service companies that consistently meet their needs and desires. Service Quality generates customer Loyalty and ensures the repeated patronage of company services (Andaleeb and Conway, 2006; Iglesias and Yague, 2004). The fifth construct of the model is Loyalty.

6. Relationship between Customer Ren Orientation and Loyalty

As shown in Table 5.25, although Customer Ren Orientation has no direct effect on Loyalty, Customer Ren Orientation has four different paths to affect Loyalty. This theoretical implication indicates that Customer Ren Orientation can influence Loyalty (L) only through the mediators of Harmony (H), Business Relationship (BR) and Service Quality (SQ). The total effect (TE) of each path will be explained one by one.

First Path

The total effect of the **first path** of Customer Ren Orientation on Loyalty through Harmony (H), Business Relationship and Service Quality is **1.419** the calculations are as follows:

$$TE(BR) = RO \rightarrow BR = 0.43 \times 0.72 + 0.14 = 0.4496$$

$$TE(SQ) = RO \rightarrow BR \rightarrow SQ \text{ (Direct effect)} = 0.09 + 0.14 \times 0.21 = 0.1194$$

$$TE(SQ \rightarrow L) = 0.85$$

$$TE(RO \rightarrow H \rightarrow BR \rightarrow SQ \rightarrow L) = 0.4496 + 0.1194 + 0.85 = \mathbf{1.419}$$

Second Path

The total effect of the **second path** of Customer Ren Orientation on Loyalty through Harmony and Service Quality is **0.8798** and the calculations are as follows:

$$TE(SQ) = RO \rightarrow H \rightarrow SQ \text{ (Direct effect)} = 0.43 \times -0.14 + 0.09 = 0.0298$$

$$TE(SQ \rightarrow L) = 0.85$$

$$TE(RO \rightarrow H \rightarrow SQ \rightarrow L) = 0.0298 + 0.85 = \mathbf{0.8798}$$

Third Path

The total effect of the **third path** of Customer Ren Orientation on Loyalty through Business Relationship and Service Quality is **0.9694** and the calculations are as follows:

$$TE(RO \rightarrow SQ) = 0.14 \times 0.21 + 0.09 = 0.1194$$

$$TE (SQ \rightarrow L) = 0.85$$

$$TE (RO \rightarrow BR \rightarrow SQ \rightarrow L) = \mathbf{0.9694}$$

Fourth Path

The total effect of the **fourth path** of Customer Ren Orientation on Loyalty through Service Quality is **1.14** and the calculations are as follows:

$$TE(RO \rightarrow SQ) = 0.09$$

$$TE(SQ \rightarrow L) = 0.85$$

$$TE (RO \rightarrow SQ \rightarrow L) = 0.09 + 0.95 = \mathbf{1.04}$$

Legends:

TE is total effect; RO is Customer Ren Orientation; H is Harmony; BR is Business Relationship; SQ is Service Quality; L is Loyalty; -> refers to the path

Among the above four paths, the first path is the critical path which has the highest total effect of Customer Ren Orientation on Loyalty such as $TE=1.419$. This indicates that there is a strong triangular relationship among Customer Ren Orientation, Harmony and Business Relationship. In other words, without Harmony and Business Relationship, the effect of Customer Ren Orientation on Loyalty will be greatly reduced.

7. Relationship between Business Relationship and Service Quality

The seventh theoretical implication of this study is that a positive relationship exists between Business Relationship and Service Quality where Business Relationship serves as an antecedent of Service Quality. This finding is a new discovery. This research borrows Yau's (2000) scale of Business Relationship that includes four important elements (i.e. Bonding, Reciprocity, Empathy and Trust), and Mittal and Lassar's (1996) ServQual-P model composed of four important dimensions (i.e. Personalisation, Responsibility, Responsiveness and Tangibles). Although the scales or models have been previously adopted in different situations (e.g. Bougoure and Lee (2009) adopted ServQual-P to

study the Service Quality of supermarkets and wet markets in Hong Kong), this instance is the first time that both of the above reliable scales or models have been used in the service industry in Hong Kong.

In sum, the result of the study echoes that of the literature review in Chapter Three. That is, good customer relationship can be a critical success factor that affects the Service Quality of the service provider (Woo and Ennew, 2004; Mak et al., 2011). In addition, having a good marketing relationship is highly likely to enhance customers' satisfaction and the Service Quality provided by service providers (Sin et al., 2005).

The marketing and management implications are explained as follows.

7.1.2 Marketing and Management Implications

Apart from the theoretical implications of this study, this study also contributes to general marketing and management practices and specifically to business-to-customer businesses in some cases. Moreover, this study can help improve the Service Quality of businesses. In this section, the marketing and management implications at the business level are discussed, followed by the implication of Customer Ren Orientation at the individual level.

A. Business Level

The most significant contribution of this research is the marketing and management implications of Customer Ren Orientation at the business level.

A Scale for Customer Ren Orientation

1. Marketing Context

In the marketing context, staff members of service organisations need to pay more attention to and practise Ren when dealing with their customers, particularly complaints from difficult customers. In terms of food delivery, politeness of the staff, quality of food and responsiveness of the staff, customers may not be able to tolerate the Service Quality of the service provider. As the staff of the service organisation, they have to understand customers' needs so that customers will be satisfied or even be delighted by

the good service provided to them. Different customers may have different expectations of the service organisation; that is, the responsiveness of the staff, the quality of food, and thus customers' tolerance level may vary (Wu, 2009; Xi, 2009). According to the Bible of Ren (Wu, 2009) mentioned in Chapter Three, people always need to bear the **difference in personalities among people**. For example, an individual may be more parochial than others (偏狹之忍), one may be more stubborn and thoughtless than others (頑嚚之忍), and one may have more dissatisfaction than others (不滿之忍) (Wu, 2009).

In the marketing context, **Adherence to Rationality** can give a fresh perspective on maintaining the image consistency of a company brand. For example, it is uncommon for high-end brands such as LV to launch big sales promotions all the time to achieve the sales goal, as this strategy may create a negative brand image. As stressed in Chapter Three, the principle of Adherence to Rationality is not to act in excess.

More importantly, Customer Ren Orientation can be adopted as the core value of an organization so that it can differentiate itself from its competitors. If an organisation is a true believer and genuine practitioner of Customer Ren Orientation, the harmony within the organization and business relationship with customers will be enhanced and indirectly, the service quality and loyalty of customers will be improved too. In the long run, advocates will help marketing the organisation with word-of-mouth.

2. Services Marketing Context

In the services marketing context, service providers need to conduct marketing research, for example, surveys and observations, to **accommodate the various opinions** on Service Quality of customers. For example, Fisher Price uses a one-way mirror to observe the different levels of importance perceived by kids in choosing toy features. In the service industry, the adoption of the **Customer Ren Orientation scale** can be critical in understanding the ever-evolving needs of the target market and in attributing to the launch success of new products.

As explained in Chapter Three, if people perceive things as insignificant in their lives, they may let it go without complaint. Conversely, if people perceive that some things may cause high risk to their lives, they may stop tolerating the situation and start to fight for their rights. In the context of CCT, some customers may practise Ren with a limit. In other words, customers may go forward to leave the restaurant due to long hours' boring waiting. For example, if the service provider understands involuntary waiting can adversely affect the satisfaction level of customers, the service provider should try to serve the customers with a variety of free-of-charge services while they are waiting such as before dining in a restaurant, some free food and drinks can be served. For ladies, nail manicure or facial services can be rendered. Actually, these personal care services can change the feeling of the waiting time to be 'voluntary waiting' as customers may have a better mood for waiting and start to love the warmhearted services. Instead of convincing customers to be more patient while waiting, service provide should understand the meaning of the seven dimensions of Customer Ren Orientation .

3. International Marketing Context

In the international marketing context, expatriates of international organisations should cultivate the learning and practice of the value Ren through company trainings and orientation programs which will speed up the rate of learning the new Chinese value such as the value of Ren when they are going to work in the Chinese community. For example, people's perception of the importance of punctuality may vary significantly because of cultural differences. In addition, expatriates of international organisations may have to bear the cultural differences of different organisations because of **dissimilarity in personalities or accommodating varied opinions**. Before working in international organisations, expatriates should take a survey on the Customer Ren Orientation scale. The results of the survey can help international organisations understand the weaknesses of expatriates in different dimensions of Ren when working in the Chinese coumminty, and appropriate compromises can be done to help them adapt to the new country

faster (Dunning, 2012). Expatriates need to acculturate the new value such as the value of Ren when moving to a new country such as China, and it will take time to adapt to the new culture. Through the adaptation process, Ren is important (Chow and Yau, 2005). As mentioned, training programs should be more culturally-oriented. In this study, **seven dimensions of Customer Ren Orientation** are suggested for the design of a training program, namely, Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role Order, Adherence to Rationality, Preference for the Status Quo, Moving Forward and Moving Backward. Ethnocentrism seems to be a major issue or obstacle for expatriates to overcome the adaptation process in the Chinese community.

In terms of contract spirit, punctuality and guanxi issues, staff members of international organisations should practise Ren. The Customer Ren Orientation scale can help expatriates understand more about the foreign country, especially China. If international organisations perceive things as insignificant in the success of their business, they may let it go without complaint. However, if people perceive that some things may cause high risk to the survival of the organisation, they may stop tolerating the situation and start to fight for their rights. Therefore, international organisations need to practise Ren to understand the international partner's culture before making unnecessary moves and hurting the **relationship with the organisations**.

4. Human Resources Management Context

The human resources management context, if staff members can **recognise that different positions have different roles to play**, then a more harmonious culture of the organisation will be fostered (Bannister and Kearns, 2013). Staff can be loyal to tasks that show respect to other people and take on the responsibilities that arise from the staff's position in a ranked relationship (Riel, 1996). Based on the Bible of Ren (Wu, 2009), the roles of the superior and the subordinate, and the roles of the guest and the host should be respected. Senior staff should be treated as senior relatives and colleagues as siblings (Zhu, Yen and Liu, 2002). In the end, the service performance of the staff may improve because of the enhanced Ren culture. As described in

Chapter Three, knowing the fundamental discipline required in the establishment of personal relationships is a major principle of Confucianism (Analects, trans. Muller 2015).

In the recruitment process, the Customer Ren Orientation scale can be used to assess the weaknesses and strengths of the potential employees based on the **seven dimensions of Customer Ren Orientation**. Once the weaknesses are identified, the service provider can provide a proper tailored training program for the individual employee. For instance, if a particular employee is weak at getting along with different personalities of customers or colleagues, a specific training program should be provided.

5. Dealing with Suppliers

When dealing with suppliers, management can maintain the status quo and bear the current tough situation until sufficient information is found to proceed with the negotiation process. An example related to **Preference for the Status Quo** is that organisations want to learn many things from the success of their competitors. However, reacting too fast may not give organisations an edge. Therefore, Preference for the Status Quo of Instrumental Ren can help organisations wait for the right time to take action. Waiting for the right opportunity can be boring and tedious for organisations. However, the consequence of taking action without seriously and carefully scrutinising the situations may cause large financial loss to organisations. Briefly, practicing Ren in organisations by observing and practicing environmental scanning is extremely important to enable the staff to understand the situation more thoroughly before imitating their competitors at the right time. As explained in Chapter Five, Confucius teaches us to be patient in the present situation, especially when the timing is not right yet. If one cannot tolerate a small thing, then the overall plan can be seriously affected (小不忍,則亂大謀) (Analects, trans. Muller 2015).

6. Corporate Level

At the corporate level, this study shows that Ren can be added to the **Business**

Relationship to enhance the quality of service performance. To practise Ren, organisations may incorporate Ren into its corporate culture and into the deployment of staff, that is, training and development of the frontline staff in the service industry. Based on the specific culture of different organisations, marketing practitioners may have the mindset of cautiously considering various factors when adopting Ren in the existing training and development programme. An example is ensuring that the physical evidence of a retail store is up to the customers' expectation. Organisations may set high standards for their employees. If some employees have not complied with the organisation's standards, other employees may report to their supervisor, and the tolerance level may decrease or even become non-existent. According to Mencius (trans. Legge 1960), one can move forward to attain a righteous goal even if millions of people object to this decision. According to **Moving Forward of Instrumental Ren**, ethical staff may have the mindset of not bearing unhygienic situations, things or staff, and may move ahead to report these to the senior manager immediately. As depicted in Chapter Five, without delay, one dares to move forward to attain a righteous goal even if millions of people object to it (雖千萬人吾往矣) (Mencius, trans. Legge, 1960).

At the corporate level, management should understand the **Adherence to Rationality** which means that the management of the organisation need to be more reasonable and fair to employees. Top management need to understand the upfront services which are essential for the sustainability of organisation. Therefore, top management may convince its employees to suggest some new ideas related to customers. A cash bonus of \$300 to \$300 will be given to employees who suggest some excellent ideas, which are accepted by the company.

7. Service Organisation

To practise Ren, the service organisation staff should be more observant and learn from the facial expressions of customers, so that they will not hurt customers' feelings. Different situations may demand service providers to use different mindsets of Ren to accept the differences in personalities among

customers. Service providers may choose the mindset of **Moving Backward of Instrumental Ren** when dealing with customers' complaints. The staff may recognise the situation first and try to put themselves in the customers' shoes. Instead of being offensive, the staff can have the mindset of moving backward, reflecting on the situation, and thinking of the best solution for the affected customers. This move is optimistic in terms of maintaining a long-term relationship with customers. As elaborated in Chapter Five, Sun Tzu suggests taking a longer route, which does not mean to taking a long time, to resolve the foreseeable difficulties rather than taking the obvious or direct route to obtain the final goal (以迂為直) (Sun Tzu, Ch 6, Sec. 30) (Giles, 2002).

Training is very important to cultivating a passionate culture of the service organisation. First, the service organisation needs to be considerate over the employees. For example, if employees work very hard for the service organisation and perform very well, the employer of the service organisation give them incentives to recognise the hard work and good performance. The **Adherence to Rationality**, one of the Value Rens is related to the fairness to employees. In return, employees will become more passionate towards their customers. Due to employees' hard work, the service organisation can also grant subsidy to employees' parents so as to educate the Value Ren, **Observation of Role Order** in a family. Actually, employees may feel their works have been highly recognised and valued by the service organisation.

A Conceptual Model of Customer Ren Orientation

1. Relationship between Customer Ren Orientation and Harmony

Based on the results of Hypothesis Testing in Table 6.1, a higher level of Ren will lead to a higher level of harmony between the customer and the company. Everyone should play an appropriate role in Chinese society so that everyone can live harmoniously (Legge, 1960). Service providers such as CCT have to

adopt effective training programmes and recruitment policies to ensure that every employee understands the practice of Ren to make the service environment harmonious (Husted, 2012). Employees should know customers' needs. In the marketing context, staff members of service organisations need to pay more attention to and practise Ren when dealing with their customers, particularly complaints from difficult customers. Chinese, including service providers, welcome criticism of their conduct to make headway toward social harmony (Tjosvold, Hui and Law, 2001). As indicated in Chapter Two, Ren can help Chinese manage conflict. Yang (1959) explained that Ren as a means of self-cultivation serves as the backbone of Confucian morality. In the Children's Guide 《童蒙須知》, Zhu Xi (朱熹) comprehensively explains the rules and regulations for children (Zhu, Yen and Liu, 2002). Ren assists in overcoming conflict caused by inner desires and renews one's commitment to this path of morality with its external ritual processes and other criteria. However, in the Western culture, managers tend to create conflict to help solve problems (Tjosvold, 2008), and managed conflicts can be constructive (Tjosvold, 2006).

In terms of food delivery, politeness of the staff, quality of food and responsiveness of the staff, customers may not be able to tolerate the Service Quality of the service provider. In the Chinese community, Social Harmony is an important element among Chinese when dealing with conflicts and disputes. As a Chinese saying goes, 'It is precious to achieve harmonious relationship (以和為貴) over conflicts and disputes'. The staff of a service organisation should understand customers' needs so that customers will be satisfied or be delighted because of the good service provided to them. At the end of the day, customers do not need to practise Ren beyond their limit. For the Chinese, avoiding conflicts can lead to saving time and money and enhanced relationships (Wong, 1987).

2. Relationship between Customer Ren Orientation and Business Relationship

In training and recruitment programmes, employees should be trained to cater

to the needs of their customers, who are considered to be always right. Service providers should have new employees take the Customer Ren Orientation scale during the interview. The scale can help employees understand their weaknesses and strengths when servicing people. In return, the relationship between the service provider and the customer will be enhanced. According to O'Keefe and O'Keefe (1997) and Yau, et al. (2000), avoiding conflicts between customers and service provider through Customer Ren Orientation will enhance the Business Relationship.

3. Relationship between Harmony and Business Relationship

Harmony is important because it can enhance the level of cooperation between the customer and the company, such as in joint ventures, in China (Yau and Chow, 2004). Foreigners working in China should learn how to maintain harmony within a company, as it can help the company succeed. As a managerial implication, maintaining harmony with a Chinese partner that helps build a sustainable relationship is important to succeeding in business in China (Wilson and Nielson, 2001; Yau and Chow, 2004).

4. Interaction Effect of Customer Ren Orientation and Business Relationship on Service Quality

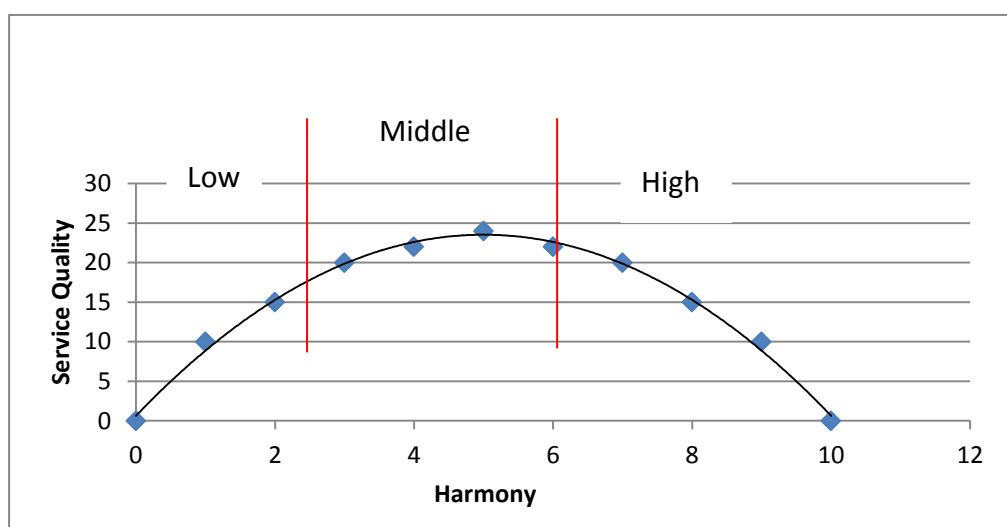
Given a good Business Relationship between the service provider and the customer, the practice of Ren will help enhance the Business Relationship, and increased Service Quality will be eventually provided by the service provider. Building a good relationship with customers is essential for service organisations, such as airline companies and catering companies. Effective membership systems and incentives for existing customers are important for establishing a genuine relationship between customers and the service provider (Alrousan and Abuamoud, 2013; Heskett et al., 2004).

5. Quadratic Relationship between Harmony and Service Quality

Based on their experience, service providers should understand that the optimum level of harmony could be beneficial to service organisations. Otherwise, Service Quality would decrease. As shown in Figure 7.1, three groups of customers can exist: low harmonious customers (Low), middle

harmonious customers (Middle) and high harmonious customers (High). For low harmony customers, increasing harmony will lead to higher Service Quality. For example, when harmony increases from 0 to 3, Service Quality will increase from 0 to 20. For middle harmony customers, an optimum level of harmony will lead to a high level of Service Quality. For instance, when harmony increases from 3 to 7, Service Quality will remain at the highest level, ranging from 20 to 23. For high harmony customers, increasing harmony will result in lower Service Quality. For example, when harmony increases from 7 to 10, Service Quality will decrease from 20 to 0. Through the training programmes provided by the service provider, the concept of the right level of harmony should be taught to employees, such as increasing harmony for low harmony customers and attaining the optimum level of harmony for middle harmony customers. As mentioned in one case in the first chapter, a woman caused an annoying smell and it upset other passengers on the plane. The cabin crew listened to both sides of customers' opinions and tried to resolve the situation promptly on site, as some passengers on the plane found harmony to have been adversely affected (ChinaSMACK, 2015). Segmentation based on Harmony can be an important variable for future study.

Figure 7.1: Quadratic Relationship between Harmony and Service Quality



6. Relationship between Business Relationship and Service Quality

As mentioned in Chapter 3, bonding (So, 2002), reciprocity (Ford, 1997), trust (Woo and Ennew, 2004) and empathy are essential elements of Business Relationship (Sin et al., 2005), and they positively affect the Service Quality of the service provider. Service providers should carefully design effective customer relationship programmes for customers, such as Loyalty programmes, special buddy clubs, sister clubs, special incentive schemes, lucky draw activities, sweepstakes, fun fair, birthday parties and provision of prompt remedies for service failure.

7. Relationship between Service Quality and Loyalty

Another managerial implication of this study is that service providers such as CCT should adopt effective hiring and training programmes to ensure that employees are capable and ready to offer professional and quality services to customers. In addition, service providers should be responsive and empathetic to customers' requests. Service providers need to maintain long-term relationships with customers through continuous efforts in providing good Service Quality to customers and potential customers (Zeithaml, 1996). Service providers also need to consider the following issues: service quality strategies that can entice customers to recommend the company to other people

or friends or encourage customers to come back again. For example, service providers need to promptly handle customer complaints; otherwise, dissatisfied customers will complain at different levels, such as verbally complaining to the service provider, passing around negative word-of-mouth to their friends, or taking legal action against the company. Service providers should appropriate a position or decide their level of service quality to encourage customers to re-patronise the company. For example, a mediocre restaurant should not over-promise to its customers that it can provide five-star service. It should be honest to its customers instead.

8. Implications of Doing Business in China Using the Business Model of Customer Ren Orientation

The first seven implications of the Business Model of Customer Ren Orientation were empirically studied in depth in Chapters 3 to 5. Indeed, this Business Model of Customer Ren Orientation can definitely help foreign managers better understand the relationship between Ren and other constructs, such as Harmony, Business Relationship, Service Quality and Loyalty, when **doing business in China** such as joint ventures businesses with Chinese companies. As mentioned earlier in this section, Chinese people use Ren to help them overcome or avoid conflict with people, whereas managers tend to create conflict with people to help solve problems in the Western culture (Tjosvold, 2008).

B. Individual Level

In this section, we present the implications of Customer Ren Orientation at the individual level in terms of customers of restaurants or service organisations.

1. Acceptance of Dissimilarity in Personality

The service provider should be aware of how customers practise Customer Ren Orientation by accepting dissimilarity in personality of staff and other customers and staff should try to satisfy them with the right products. A classic counter example can be demonstrated by a notorious restaurant in Hong Kong, namely, Australia Dairy Company (澳洲牛奶公司), which is

located in Jordan, Kowloon. For this CCT, the staff are highly demanding or even rude to its customers (e.g. ordering customers to sit in a special location in the restaurant or demanding customers to order faster). Though this CCT is very famous for its fresh fried eggs and hot toast, quite a lot of customers actually could not endure the impolite staff of the CCT. The staff of the CCT should learn the Customer Ren Orientation so that they will not upset their customers by their notorious service such as poor attitude. Due to the lack of knowledge of Ren, the staff of this CCT seem to kick away their customers to competitors' restaurants. On the contrary, a CCT called Hokkaido Dairy Farm Milk Restaurant (北海道牧場餐廳) has been successful in providing better services and staff may have understood how customers practise Customer Ren Orientation by accepting dissimilarity in Personality while serving them their customers. Actually, they understand the value of Ren so well that they are so attentive to customers' needs such as reducing the waiting time and being polite to customers.

Service providers should be more aware of the undesirable situations in their restaurants such as involuntary waiting as customers using cannot bear the long boring waiting time and they should provide a harmonious environment for customers to have a good dining experience.

Voluntary Waiting versus Involuntary Waiting at Restaurants or Service Organisations

Customers can be educated proactively by service providers (Chen, Raab and Tanford, 2015) on aspects such as waiting time. Two types of waiting exist in service organisations: voluntary waiting and involuntary waiting.

Involuntary waiting occurs when customers are already in the store waiting. Service providers should bear in mind that they have the responsibility and it is their top priority to serve these customers who are waiting for their food involuntarily, as these customers expect to be served soon.

Once customers are inside restaurants or service organisations, a maximum

amount of time should be set for them to wait. At most, customers should not wait for more than 15 minutes. Customers can have the choice to wait or leave the restaurant or service organisation. In voluntary waiting, customers can practise Ren when entering a store. Practicing Ren is especially helpful for new customers of restaurants or service organisations when wanting to try food they have never tried before.

2. Accommodating with Varied Opinion

New customers of new restaurants or service organisations should practise Ren. Customers should lower their expectations when patronising new restaurants or service organisations, as people have different opinions or views on the service quality of restaurants or service organisations. The personal experience of customers is more reliable to judge service than secondary sources, such as Open Rice, which may not be sufficient or sometimes too subjective to indicate the true quality of the food and service of a restaurant. To practise Ren, new customers should be more vigilant in waiting when queueing to enter a restaurant as they still have a choice to go to another one. Their feelings may be hurt otherwise. Customers need to be more **accommodating with the varied opinions** on new restaurants or service organisations.

3. Observation of Role Order

Hong Kong is now facing an increasing number of aging people. Senior citizens are frequent customers of restaurants or service organisations. Young people should be more observant and more tolerant of senior citizens, such as giving seats or priority to senior citizens in a queue. This is a way of practicing Ren by **observing the role order in public**.

4. Adherence to Rationality

Traditional restaurants or service organisations are usually small in size and have Hong Kong characteristics, as mentioned in Chapter 3. Customers should not occupy more than enough space for their own use because of limited space. In addition, customers should not expect too much from the service quality of restaurants or service organisations, as they pay less than

other restaurants in Hong Kong. Customers have to practise Ren by being more considerate and reasonable: this is the true meaning of **Adherence to Rationality**.

5. Preference for the Status Quo

Customers need to learn that restaurants or service organisations serve different types of cooked food. Some food need more time to cook than others, such as baked pork chop with rice. Customers have to practise the **preference for the status quo** to wait a bit longer rather than complain about the long delivery time of their order if they choose to order this type of food.

As mentioned in Chapter Five, Harmony has a positive quadratic effect on Service Quality. If customers help increase Harmony in restaurants or service organisations at the beginning of their patronage by practicing Ren through preference for the status quo, service providers will provide better Service Quality before the optimal point of Service Quality. Beyond this optimal point, increasing Harmony will have a negative effect on Service Quality.

6. Moving Forward

The toilet hygiene conditions of restaurants or service organisations are sometimes not ideal, and people sometimes smoke in the toilet. Customers should practise Ren by **moving forward** to inform staff members of the undesirable conditions immediately, as this issue is of public interest to restaurants or service organisations.

7. Moving Backward

Customers can maintain long-term relationships with service providers, restaurants, or service organisations by practicing Ren by Moving Backward. For example, customers should recognise the situation in restaurants or service organisations and try to put themselves in the customers' shoes, especially during peak or lunch hours. Instead of being offensive, customers need to Move Backward, reflect on the situation and try to think of the best solution for themselves (e.g. ordering something that is easier to cook). Therefore, moving backward is an ideal move by customers in terms of

maintaining the long-term relationship with the staff members of restaurants or service organisations.

Loyal customers should try to establish better relationships with the staff members of restaurants or service organisations. For example, when faced with minor failure of service such as late delivery of food, customers can practise Ren by moving backward by reminding the staff about the service failure at an appropriate time in an empathetic manner.

Similarly, as reported in Chapter Five, Customer Ren Orientation moderates Business Relationship and Service Quality. Therefore, customers can practise Ren by **Moving Backward** to establish a better Business Relationship with the company. In return, they will receive better Service Quality from the service provider.

Briefly, this section explored the contributions of the theoretical aspects and the marketing and management aspects of Ren in various business contexts: marketing context, organisational context, international business context, supplier relationship context and human resources management context. The contributions of Ren at the individual level were also discussed. Particularly, Ren explains why customers will accept and tolerate weaknesses in the services provided by service providers. In order to enhance the service quality, service providers should take the value of Ren more seriously. Otherwise, the business will be seriously affected such as customers will not come back to patronize the poor service organization again if the service provider just ignore the importance of Ren to customers. The awareness of the staff of the service organisation should be high as not all customers have the value of Ren. As competition gets keener in the service industry, the awareness of the value of Ren by service providers are urgently needed. The next section summarises the key points of this thesis and discusses the limitation of this study.

7.2 Limitations of the Study

As this study is the first of its kind in examining Ren in the service context, the result of this research can be treated as an indicative direction for future research rather than an irrefutable conclusion. Although various necessary measures have been adopted to prevent the downside of the survey, some limitations are still embedded in this study that are worthwhile to discuss.

Despite some essential findings being discovered in this study, as in the case of most studies in social science, this study has certain ingrained limitations. Nonetheless, suggestions for further study are presented to counteract these limitations.

The first limitation is that the empirical data were collected on the streets. The results could be more authentic if the survey had been conducted in a real-life setting, such as a restaurant or a service organisation. Therefore, the same research can be conducted in a restaurant setting to enhance the validity of the study and sampling errors might be reduced. In addition, the sampling method of the street-intercept survey was used in the study. Respondents selected from the street might not be residents of the survey district, and some of the respondents might come from other districts. The ideal situation is to conduct the research inside households. However, this strategy is impractical in Hong Kong because of the increasing concern about privacy and security. Nevertheless, a multi-stage probability sampling method was adopted in this study to ensure that everyone in the sample had an equal chance to be chosen in the street-intercept survey. Therefore, as mentioned in Chapter 5, the distribution of the respondents' characteristics illustrated in Tables 5.3 and 5.4 evidently shows that the results are reasonable and that the sample is generally representative.

Secondly, the constricted sample adopted in this study is another limitation. The research was conducted in selected spots in the street in the agreed time slots, from 2:30 PM to 4:30 PM and from 7:00 PM to 9:00 PM, rather than during lunchtime or dinnertime to minimise the interference and to easily implement the manipulation of service behaviour. As a result, the respondents

did not hurry in answering the survey. Nevertheless, the ideal situation would be if the sample were more diverse, such as respondents chosen at any time.

Thirdly, the cross-sectional research design was adopted for the current study. According to the cross-sectional research design, information and data were gathered at one point in time during this study. The downside of the cross-sectional design is that no clue is given if the respondent will repurchase the product from the same restaurant or not. Given the experimental design of this research, the shortcomings of the cross-sectional research design could be significantly reduced. Nonetheless, the longitudinal research design can also help to overcome the shortcomings of the cross-sectional research design. In future research, longitudinal research design can provide better prediction of whether customers will return to purchase from the same restaurant or not than the cross-sectional design.

Another limitation may be related to the generalisation of the findings to other Chinese communities. In this study, all sampling units were selected from Hong Kong. According to the 2011 Census and Statistics, approximately 95% of the Hong Kong population is Chinese. Chinese people in Hong Kong have been exposed to both the Chinese and Western cultures because of the special historical background of Hong Kong. Therefore, Chinese people in other communities, for example, those in Taipei, may have a stronger or weaker value of Ren than Chinese people in Hong Kong. Future research can be conducted in other communities or societies in Asia at the same time, for example, Shanghai, Taipei and Hong Kong.

Bias arising from social desirability may occur, either consciously or unconsciously. The researcher's physical presence may cause the respondent to convey modified or untrue answers to reduce embarrassment or to suggest a favourable or optimistic impression while in a public place. Social desirability questions, whether in long or short form, were not included in the questionnaire, which was already long with 100 questions included. However, as focus groups and a pilot survey had been conducted before the implementation of the main survey, social desirability was not found to be

serious in this study.

In sum, although this study has a few limitations, the street-intercept survey was carefully planned and deployed. Moreover, specific attention was given to ensure that the findings of the research would not be affected by the above-mentioned limitations.

7.3 Future Research

We suggest the following in conducting academic research on the Chinese value of Ren:

Firstly, the respondents were selected from Hong Kong only. In future research, the value of Ren can also be explored in other Chinese communities, such as Taipei, Beijing and Singapore. Particularly, through the cooperation of different academic scholars from different Chinese societies, the business model of Ren and Ren scale can be generalised in the above Chinese societies.

Secondly, this study was intended for gauging the conceptual model of Customer Ren Orientation in a Chinese community. Research on the cross-cultural differences between Chinese and non-Chinese people in practicing Ren in CCT would be interesting as Chinese people practise Ren on a daily basis.

Thirdly, the empirical data of this research were collected in the street. The survey was conducted in 6 areas among 18 districts in Hong Kong with different population sizes in each district based on the information provided by the Hong Kong District Board in 2014 (Census and Statistics Department, 2015). The results would have been more authentic and meaningful if the survey had been conducted in a real-life situation such as CCT, where normal day-to-day physical settings are created for the environment for the survey. Therefore, the same survey can be conducted in the CCT setting to enhance the validity of the study.

Nevertheless, this research only places emphasis on the variables of Harmony, Business Relationship, Service Quality and Loyalty in the business model of Ren. In the future, other variables may also be related to the practice of Ren. For instance, the variables of group concept, social status on Ren, and segmentation based on Harmony can be further explored, as Chinese are more inclined to grouping by nature (Yang et al., 1989) and conforming to a group (Yau, 1994). Customer Ren Orientation can also be studied in other disciplines, such as social psychology or clinical psychology. The variables of customer conflicts and the use of the Ren scale in the recruitment and training of new staff can also be explored in the future.

Furthermore, this study mainly placed emphasis on business-to-customer context. In other words, Ren is only studied in the customer's perspective in this study. However, the organisation's perspective of Ren is also an important issue in organisational citizenship behavior (Markóczy, Vora and Xin, 2009; Organ, 1988, Farh, Earley and Lin, 1997). This could be an area for further studies.

In addition, Ren has not specifically been mentioned nor researched before under the situation-orientation of the Classification of Chinese Cultural Values developed Yau (1994). Other situation analysis of Ren can also be studied in the future.

Lastly, the antecedents of Customer Ren Orientation can be explored in the future. For example, external factor affecting Ren such as education and cultivation, training of an organization.

7.4 Chapter Summary

Firstly, there is a strong triangular relationship among Customer Ren Orientation, Harmony and Business Relationship. In other words, without Harmony and Business Relationship, the effect of Customer Ren Orientation on Loyalty will be greatly reduced. This study is the first to examine the value of Ren in Harmony and Business Relationship. For example, from the marketing perspective, marketers can realise the appropriate role and

importance of Ren in Business Relationship and Service Quality. The result of the study supports the finding that the relationship between Business Relationship and Service Quality is moderated by Customer Ren Orientation. In practice, marketing strategies can be adopted by marketers in different situations. For instance, in the marketing context, service organisations need to pay more attention to and practise Ren when dealing with their customers, particularly complaints from difficult customers. In terms of food delivery, politeness of the staff, quality of food and responsiveness of the staff, customers may not be able to tolerate the Service Quality of the service provider.

Secondly, Harmony has a quadratic effect on Service Quality, and Harmony is a nonlinear form has a direct effect on Service Quality. Based on service providers' experience, they should make an effort to understand the optimum level of harmony that could be beneficial to their service organisations. Otherwise, Service Quality would decrease.

Thirdly, there is an interaction effect of Customer Ren Orientation and Business Relationship on Service Quality. That is the relationship between Business Relationship and Service Quality which is moderated by Customer Ren Orientation. Given a good Business Relationship between the service provider and the customer, the practice of Ren will help enhance the Business Relationship, and Service Quality will eventually be increased provided by the service provider.

Fourthly, the author of this thesis developed a multi-dimensional scale of Ren. The Ren scale is the first of its kind used to construct and test the scale from the point of view of the local Chinese perspective. In this thesis, the background and the objectives of studying Ren were first discussed. Then, details of two key parts of Customer Ren Orientation were explored. Customer Ren Orientation was conceptualised to have two key parts, namely, Value Ren and Instrument Ren. A thorough description of each part was presented. The four dimensions of Ren, namely, Acceptance of Dissimilarity in Personality, Accommodating with Varied Opinion, Observation of Role

Order and Adherence to Rationality, are utilised as the foundation for Value Ren. The three actions, namely, Preference for the Status Quo, Moving Forward and Moving Backward, are utilised as the foundation of Instrumental Ren.

In addition, a business model of Customer Ren Orientation has been developed on the basis of extant literature review and empirical research. This thesis contributes to the knowledge of Ren, particularly in the application of Ren in the business context and in enhancing Business Relationships.

Finally, based on the results of this study, different practical marketing and management suggestions are provided for business management or marketing management in practicing Ren to create successful business in the short and long term.

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Chinese names/terms in conventional translation

Pinyin

中庸 Chung Yung (Doctrine of the Mean) or Zhong-yong

和 harmony or He

易經 I-Ching (The Book of Changes) or Yi-Jing

荀子 Hsun Tzu or Xunzi

莊子 Chuang Tzu or Zhuang Zi

道 tao (the way) or dao

道家/道家思想 Taoism or Daoism

道德經 Tao Te Ching or Dao De Jing or Daodejing

Appendix 4.1 Focus Group Process and Questions

1. Introduction: (5mins)

- Thanks a lot for your presence.
- This is a focus group.
- We are now conducting a study related to service, CCT/Restaurant and Ren (忍).
- No need to comment on/ agree or disagree with other people's views. But on top of other people's views, share **only** your view, experience and thinking.

2. CCT/restaurant's service and Ren (40 mins)

What is your view on CCT/restaurant's service and Ren? For example, waiting time, food delivery time, correctness of food, quality of food, staff appearance (dirty uniform), decoration of environment, cleanliness of the floor, manner of staff, language of staff, language of other customers, cigarette smell etc.

3. Concept of Ren (40 mins)

- What is the definition of Ren? What comes to your mind when mentioning about "Ren"?
- What are the things that you cannot bear? E.g. difference views, selfishness, desire, kin relationship, emotions.
- What are the effects of practicing Ren and effects of not practicing Ren?
- How can you practice REN? E.g. psychology
- Does Ren help you to move forward or backward?
- Can Ren lead to success?

4. Conclusions (5 mins)

Thank you so much!

To be completed by interviewer

Scenario: 1/2/3/4/5/6

Paper No: _____

Date : _____

Interviewer: _____

Location: _____

Completion Time: _____

Appendix 4.2a: Questionnaire Survey

Opening

Good morning/afternoon/evening. I am _____, the interviewer from the Hong Kong Shue Yan University. We are now conducting a study related to consumer behaviour. Are you willing to spend about twenty minutes to answer the survey? We guarantee that your responses will be treated in strict confidentiality and the information obtained will solely be utilized for academic purposes. You are under no obligation to answer and you are free to terminate the interview at any time. Please circle appropriate answers below.

Section 1 Screening Question

1.1 Are you aged 18 or above? Yes / No (Terminate)

1.2 Have you ever patronized Cha Chaan Teng before? Yes / No

Section 2 Future Behavioural Intentions

(Show the sixth page of interview card) Please use this 6-point scale to tell us how much would you agree the following statement. 1 represents strongly disagree while 6 represents strongly agree. The number that closes to 1 indicates you are much disagreeing on the statement and vice versa.

	Strongly Disagree			Strongly Agree		
2.1 I will return to eat next time.	1	2	3	4	5	6
2.2 I will recommend this ABC Cha Chaan Teng to other people.	1	2	3	4	5	6
2.3 I will recommend this ABC Cha Chaan Teng to my friends and relatives.	1	2	3	4	5	6

Section 3: The SERVQUAL-P Model

Directions: Based on your experience as a consumer of ABC Cha Chaan Teng, please think about the kind of Cha Chaan Teng that would deliver good quality of services and that you would be pleased to do business with. There are no right or wrong answers – all we are interested in is a number that reflects your feeling regarding Cha Chaan Teng. You will be requested to read the list of statements for which we are asking you to give a rating on a scale of 1 to 6; 1 being that you strongly disagree with the statement and 6 being that you strongly agree.

	Strongly Disagree			Strongly Agree		
3.1 ABC Cha Chaan Teng's employees provide the service as promised.	1	2	3	4	5	6
3.2 ABC Cha Chaan Teng's employees are dependable in handling customers' service problems.	1	2	3	4	5	6
3.3 ABC Cha Chaan Teng's employees perform the service right the first time.	1	2	3	4	5	6
3.4 ABC Cha Chaan Teng's employees are well-trained and knowledgeable.	1	2	3	4	5	6
3.5 Employees of ABC Cha Chaan Teng give you prompt service.	1	2	3	4	5	6
3.6 Employees of ABC Cha Chaan Teng are always willing to help you.	1	2	3	4	5	6
3.7 Employees of ABC Cha Chaan Teng are always ready to respond to your requests.	1	2	3	4	5	6
3.8 Employees of ABC Cha Chaan Teng give customers individual attention.	1	2	3	4	5	6
3.9 Every employee at ABC Cha Chaan Teng is polite and courteous.	1	2	3	4	5	6
3.10 ABC Cha Chaan Teng's employees display personal warmth in their behaviour.	1	2	3	4	5	6
3.11 All the staff working at ABC Cha Chaan Teng are friendly and pleasant.	1	2	3	4	5	6
3.12 ABC Cha Chaan Teng's employees take the time to know you personally.	1	2	3	4	5	6
3.13 ABC Cha Chaan Teng has modern-looking equipment.	1	2	3	4	5	6
3.14 ABC Cha Chaan Teng's physical facilities are visually appealing.	1	2	3	4	5	6
3.15 ABC Cha Chaan Teng's employees have neat and professional appearance.	1	2	3	4	5	6
3.16 Materials associated with the service (such as pamphlets or statements) are visually appealing at ABC Cha Chaan Teng.	1	2	3	4	5	6

To be completed by interviewer

Scenario: 1/2/3/4/5/6

Paper No: _____

Date : _____

Interviewer: _____

Location: _____

Completion Time: _____

Section 4: Ren Orientation

You will be requested to read the list of statements for which we are asking you to give a rating on a scale of 1 to 6; 1 being that you strongly disagree with the statement and 6 being that you strongly agree.

	Strongly Disagree				Strongly Agree	
4.1 I can work with other people who have different personalities.	1	2	3	4	5	6
4.2 I can bear other people's extreme personalities.	1	2	3	4	5	6
4.3 I can bear other people's stubbornness.	1	2	3	4	5	6
4.4 I can bear colleagues' selfishness.	1	2	3	4	5	6
4.5 I can bear friends' selfishness.	1	2	3	4	5	6
4.6 I can bear family members' selfishness.	1	2	3	4	5	6
4.7 At work, I can sacrifice myself.	1	2	3	4	5	6
4.8 I can tolerate that other people have different opinions.	1	2	3	4	5	6
4.9 I can tolerate other people's complaints.	1	2	3	4	5	6
4.10 Every day, I go to the moon to play table tennis.	1	2	3	4	5	6
4.11 I can tolerate that people hold opposite opinions.	1	2	3	4	5	6
4.12 I can bear the hierarchy between the elder and the younger of the family.	1	2	3	4	5	6
4.13 I can bear the hierarchy between the father and the son.	1	2	3	4	5	6
4.14 I can bear the hierarchy between the supervisor and the subordinate.	1	2	3	4	5	6
4.15 I accept the trust and loyalty between friends.	1	2	3	4	5	6
4.16 I expect people can act fairly at work.	1	2	3	4	5	6
4.17 I can be very calm and control my temper at work.	1	2	3	4	5	6
4.18 I try not to be too subjective at work.	1	2	3	4	5	6
4.19 I expect people can act reasonably at work.	1	2	3	4	5	6
4.20 Before I act, I try to understand myself and other people and won't take reckless actions.	1	2	3	4	5	6
4.21 When I act, I always be well-prepared and won't take reckless actions.	1	2	3	4	5	6
4.22 When facing difficulties, I think twice before I leap so as to anticipate various changes.	1	2	3	4	5	6
4.23 When facing difficulties, I won't take reckless action so as to reserve my strength.	1	2	3	4	5	6
4.24 Pigs can fly.	1	2	3	4	5	6
4.25 If something is correct to do, I will have the courage go against the tide of a million people.	1	2	3	4	5	6
4.26 I can tolerate pain and still proceed forward.	1	2	3	4	5	6
4.27 At work, I have the courage to go ahead without hesitation as I am positive that I will succeed.	1	2	3	4	5	6
4.28 At work, I have the courage to go ahead without hesitation as I believe every cloud has a silver lining.	1	2	3	4	5	6
4.29 Sometimes, I allow myself to burn bridges when I have determined to work on something.	1	2	3	4	5	6
4.30 At work, I allow myself to take a step back and achieve the state of a brighter future later.	1	2	3	4	5	6
4.31 I believe if we can tolerate in the small issues, the bigger issues will be overcome smoothly.	1	2	3	4	5	6
4.32 At work, if we can tolerate for the moment, the big trouble will disappear.	1	2	3	4	5	6
4.33 At work, acting like a fool can refrain from a lot of troubles.	1	2	3	4	5	6

To be completed by interviewer

Scenario: 1/2/3/4/5/6

Paper No: _____

Date : _____ Interviewer: _____ Location: _____ Completion Time: _____

Section 5: Harmony

Based on your experience with a Cha Chaan Teng that you frequently visit, please think about the relationship between customers and the staff of the Cha Chaan Teng. There are no right or wrong answers – all we are interested in is a number that reflects your feeling regarding Cha Chaan Teng. You will be requested to read the list of statements for which we are asking you to give a rating on a scale of 1 to 6; 1 being that you strongly disagree with the statement and 6 being that you strongly agree.

	Strongly Disagree			Strongly Agree		
5.1 ABC Cha Chaan Teng's employees support me to make up for my shortcomings e.g. lacking the knowledge of today's special.	1	2	3	4	5	6
5.2 ABC Cha Chaan Teng's employees try hard to make up for my shortcomings e.g. lacking the knowledge of today's special.	1	2	3	4	5	6
5.3 When I have no clue of today's menu, ABC Cha Chaan Teng's employees will help deliver it to me.	1	2	3	4	5	6
5.4 ABC Cha Chaan Teng's employees will consider suggestion so that the final decision can better suit my appetite.	1	2	3	4	5	6
5.5 ABC Cha Chaan Teng's employees assist me to choose the food.	1	2	3	4	5	6
5.6 ABC Cha Chaan Teng's employees take initiatives to point out all the main dishes for me so as to make things easier for me.	1	2	3	4	5	6
5.7 ABC Cha Chaan Teng's employees help me to understand their special dishes.	1	2	3	4	5	6
5.8 ABC Cha Chaan Teng's employees make special arrangements with appropriate bundle of food to allow more choices for me.	1	2	3	4	5	6
5.9 ABC Cha Chaan Teng's employees are proactive to explain the special food of Cha Chaan Teng to me.	1	2	3	4	5	6
5.10 ABC Cha Chaan Teng's employees reminded me that some dishes are very spicy, allowing me to avoid mistakes in ordering the wrong food.	1	2	3	4	5	6
5.11 ABC Cha Chaan Teng's employees proactively tell the chef about my requests so as to make the food fit my appetite.	1	2	3	4	5	6
5.12 ABC Cha Chaan Teng's employees and the chef have a good teamwork.	1	2	3	4	5	6
5.13 ABC Cha Chaan Teng's employees contact the chef, make connections and pave the way for me to receive my food effectively.	1	2	3	4	5	6
5.14 ABC Cha Chaan Teng's employees and I are well connected so as to meet with my needs.	1	2	3	4	5	6
5.15 ABC Cha Chaan Teng's employees and I have good communication so as to meet with my needs.	1	2	3	4	5	6
5.16 ABC Cha Chaan Teng's employees help me whole-heartedly to choose the suitable food for me so that I can enjoy a good meal.	1	2	3	4	5	6
5.17 When making important decisions, ABC Cha Chaan Teng's employees and I will consider both of our benefits.	1	2	3	4	5	6
5.18 ABC Cha Chaan Teng's employees and I strive to obtain an agreement.	1	2	3	4	5	6
5.19 ABC Cha Chaan Teng's employee and I pick up the food together.	1	2	3	4	5	6
5.20 ABC Cha Chaan Teng's employees bear responsibility no matter either they or I make a mistake.	1	2	3	4	5	6
5.21 ABC Cha Chaan Teng's employees follow my instructions to deliver the food.	1	2	3	4	5	6
5.22 ABC Cha Chaan Teng's employees do their best to deliver according to my order.	1	2	3	4	5	6
5.23 ABC Cha Chaan Teng's employees do their best to follow my requests (i.e. little oil, more sauce) to adjust their cooking methods accordingly.	1	2	3	4	5	6
5.24 In making decisions, ABC Cha Chaan Teng's employees follow my thinking.	1	2	3	4	5	6
5.25 ABC Cha Chaan Teng's employees change the menu to meet with my needs.	1	2	3	4	5	6

To be completed by interviewer

Scenario: 1/2/3/4/5/6

Paper No: _____

Date : _____

Interviewer: _____

Location: _____

Completion Time: _____

Section 6: Business Relationship

Based on your experience with a Cha Chaan Teng that you frequently visit, please think about the relationship between customers and the staff of the Cha Chaan Teng. There are no right or wrong answers – all we are interested in is a number that reflects your feeling regarding Cha Chaan Teng. You will be requested to read the list of statements for which we are asking you to give a rating on a scale of 1 to 6; 1 being that you strongly disagree with the statement and 6 being that you strongly agree.

	Strongly Disagree				Strongly Agree	
6.1 ABC Cha Chaan Teng's employees and I trust each other.	1	2	3	4	5	6
6.2 ABC Cha Chaan Teng's employees are trustworthy on important things.	1	2	3	4	5	6
6.3 In general, ABC Cha Chaan Teng's employees are trustworthy.	1	2	3	4	5	6
6.4 I believe ABC Cha Chaan Teng's employees are trustworthy.	1	2	3	4	5	6
6.5 Our relationship is based on mutual reliance.	1	2	3	4	5	6
6.6 ABC Cha Chaan Teng's employees and I make efforts to establish a long-term relationship.	1	2	3	4	5	6
6.7 ABC Cha Chaan Teng's employees and I cooperate.	1	2	3	4	5	6
6.8 ABC Cha Chaan Teng's employees and I have good connection (i.e. the employees are proactive and attentive to the missing order situations).	1	2	3	4	5	6
6.9 ABC Cha Chaan Teng's employees and I always see things from each other's view.	1	2	3	4	5	6
6.10 ABC Cha Chaan Teng's employees and I know each other's feelings (i.e. both sides act politely).	1	2	3	4	5	6
6.11 ABC Cha Chaan Teng's employees and I understand each other's values (i.e. food quality).	1	2	3	4	5	6
6.12 ABC Cha Chaan Teng's employees and I pay attention to each other's feelings.	1	2	3	4	5	6
6.13 Reciprocity is our common understanding.	1	2	3	4	5	6
6.14 We follow the rule of reciprocity.	1	2	3	4	5	6
6.15 If ABC Cha Chaan Teng's employees assist me, I will assist them in the future.	1	2	3	4	5	6

Section 7:

Classification Data

The following information is used for classification only.

7.1 Sex : ☐ Male ☐ Female

7.2 Age :

☐ 18-29 ☐ 30-39 ☐ 40-49 ☐ 50-59 ☐ 60 or above

7.3 Education level

- ☐ Primary 6 or below graduates
☐ Form 1 to Form 7 graduates
☐ Post-secondary students or undergraduates
☐ Post graduates

7.4 Monthly family income (in HK\$) :

- ☐ \$ 9,999 or less
☐ \$ 10,000 - 29,999
☐ \$ 30,000 - \$49,999
☐ \$ 50,000 or above
☐ Don't know/No idea

7.5 Regarding the above Cha Chaan Teng that you visited, how long have visited? __years__months

7.6 How many times have you had your meal in the above Cha Chaan Teng last week? _____times

7.7 Did you come with someone in the recent visit?

☐ Yes _____(number of people) ☐ No

End of questionnaire and thank you very much for your kind assistance.

由訪問員填

完成日期： _____
訪問人員： _____

情境: 1/2/3/4/5/6
訪問地點: _____

問卷編號.: _____
完成時間： _____

Appendix 4.2b: 問卷調查

您好！我姓 __，喺香港樹仁大學嘅訪問員，我地正進行一項關於消費者行為嘅學術研究。透過今次嘅調查，我哋希望可以了解茶餐廳嘅消費行為。麻煩你可唔可以花十五分鐘左右幫我完成呢份問卷？呢份係一份不記名嘅問卷，你所俾嘅意見喺絕對保密嘅，只會喺用作學術用途。因此，閣下可絕對放心回答下低嘅問題。完成問卷後，你會獲得一張 \$ 50 元嘅鴻福堂龜苓膏現金卷，以示謝意。

第一部份：

- 1.1 您是否 18 歲或以上？ 是／否 (調查結束)
1.2 您曾否光顧茶餐廳？ 是／否 (調查結束)

第二部份：以下喺一套有關一位顧客幫襯一間 ABC 茶餐廳嘅經驗，片長一分多鐘，請留心觀看。若有需要，可以再觀看。假若你喺呢位顧客，請以 1 至 6 的其中一個數目字來表示你是否同意以下嘅句子: 1 表示 “極不同意” 而 6 表示 “極為同意”。

	極不同意	極為同意
2.1 您會再嚟幫襯。	1 2 3 4 5 6	
2.2 您會將呢度介紹比其他人。	1 2 3 4 5 6	
2.3 您會將呢度介紹俾親戚朋友。	1 2 3 4 5 6	

第三部份：服務質素研究模型

指引: 假設你喺上述 ABC 茶餐廳嘅顧客，你會怎樣評價呢間 ABC 茶餐廳所提供嘅服務呢。請以 1 至 6 嘅其中一個數目字來表示你是否同意以下嘅句子: 1 表示 “極不同意” 而 6 表示 “極為同意”。

	極不同意	極為同意
3.1 ABC 嘅伙計如其所保證一樣提供服務。	1 2 3 4 5 6	
3.2 ABC 嘅伙計喺處理顧客服務上，相當可靠。	1 2 3 4 5 6	
3.3 ABC 嘅伙計會喺第一時間提供正確無誤嘅服務。	1 2 3 4 5 6	
3.4 ABC 嘅伙計擁有足夠嘅訓練及知識。	1 2 3 4 5 6	
3.5 ABC 嘅伙計為您提供快捷嘅服務。	1 2 3 4 5 6	
3.6 ABC 嘅伙計願意為您提供協助。	1 2 3 4 5 6	
3.7 ABC 嘅伙計會為您嘅訴求作出回應。	1 2 3 4 5 6	
3.8 ABC 嘅伙計能給顧客體貼嘅關懷。	1 2 3 4 5 6	
3.9 ABC 嘅伙計喺有禮貌嘅。	1 2 3 4 5 6	
3.10 ABC 嘅伙計嘅言行流露出親切感。	1 2 3 4 5 6	
3.11 ABC 嘅伙計喺友善嘅。	1 2 3 4 5 6	
3.12 ABC 嘅伙計會特別花時間去認識您。	1 2 3 4 5 6	
3.13 ABC 茶餐廳有流行嘅設備。	1 2 3 4 5 6	
3.14 ABC 茶餐廳嘅裝潢喺視覺上相當吸引。	1 2 3 4 5 6	
3.15 ABC 嘅伙計擁有整齊及清潔嘅外表。	1 2 3 4 5 6	
3.16 喺 ABC 茶餐廳內，有關服務嘅各項物料，例如單張等，喺視覺上相當吸引。	1 2 3 4 5 6	

第四部份: 以下嘅問題同忍有關，請以 1 至 6 的其中一個數目字來表示你是否同意以下嘅句子: 1 表示 “極不同意” 而 6 表示 “極為同意”。

	極不同意			極為同意		
4.1 我可以跟唔同性格嘅人一起工作。	1	2	3	4	5	6
4.2 我能包容性格極端嘅人。	1	2	3	4	5	6
4.3 我能忍受固執嘅人。	1	2	3	4	5	6
4.4 我能忍受同事自私嘅一面。	1	2	3	4	5	6
4.5 我能忍受朋友自私嘅一面。	1	2	3	4	5	6
4.6 我能忍受家人自私嘅一面。	1	2	3	4	5	6
4.7 與人共事時，我能犧牲自己。	1	2	3	4	5	6
4.8 我能容納其他人嘅唔同意見。	1	2	3	4	5	6
4.9 我能忍受其他人嘅投訴。	1	2	3	4	5	6
4.10 我每日都到月球打乒乓球。	1	2	3	4	5	6
4.11 我能容納其他人嘅相反意見。	1	2	3	4	5	6
4.12 我能接納兄弟同心，其利斷金之情。	1	2	3	4	5	6
4.13 我能接納父慈子孝嘅倫理關係。	1	2	3	4	5	6
4.14 我能接納上司與下屬嘅高低地位關係。	1	2	3	4	5	6
4.15 我能接納朋友彼此間忠誠嘅關係。	1	2	3	4	5	6
4.16 我要求做事不偏不倚。	1	2	3	4	5	6
4.17 我做事時能保持平靜嘅情緒。	1	2	3	4	5	6
4.18 我做事時能避免過於主觀。	1	2	3	4	5	6
4.19 做事我要合乎常理。	1	2	3	4	5	6
4.20 我嘗試盡量了解自己同埋別人，唔會輕舉妄動。	1	2	3	4	5	6
4.21 我做事有足夠修為，唔會輕舉妄動。	1	2	3	4	5	6
4.22 面對困難時，我深思熟慮，以應萬變。	1	2	3	4	5	6
4.23 面對困難時，我唔會輕舉妄動，以保持實力。	1	2	3	4	5	6
4.24 豬喺會飛嘅。	1	2	3	4	5	6
4.25 若然喺對嘅，無論多少人反對，我都會勇往直前。	1	2	3	4	5	6
4.26 我能忍受痛楚，勇往直前。	1	2	3	4	5	6
4.27 做事時，要勇往直前，我相信船到橋頭自然直。	1	2	3	4	5	6
4.28 做事時，要勇往直前，我相信柳暗花明又一村。	1	2	3	4	5	6
4.29 有時，我容許自己置於死地而後生。	1	2	3	4	5	6
4.30 做事退一步，就會海闊天空。	1	2	3	4	5	6
4.31 我認為喺小事上要容忍，唔喺就會亂咗大事。	1	2	3	4	5	6
4.32 做事忍一時，就會風平浪靜。	1	2	3	4	5	6
4.33 做事裝傻扮懵，喺好嘅退讓功夫。	1	2	3	4	5	6

第五部份: 以下是一些有關茶餐廳顧客與伙計相互關係的句子, 請你根據你幫襯開那一間茶餐廳嘅經驗來作答。請以 1 至 6 的其中一個數目字來表示你是否同意以下嘅句子: 1 表示 “極不同意” 而 6 表示 “極為同意”。

	極不同意				極為同意	
5.1 點菜時, 伙計會尊重我嘅選擇, 並建議補充一些菜式。	1	2	3	4	5	6
5.2 當我選擇有困難時, 伙計會給我建議, 補我不足。	1	2	3	4	5	6
5.3 當我要求菜單時, 伙計會馬上給我提供。	1	2	3	4	5	6
5.4 伙計會尊重我嘅建議, 當我有遺忘嘅地方, 會加以補充, 使菜式更適合我嘅胃口。	1	2	3	4	5	6
5.5 伙計為我提供方便, 協助我解決疑難。	1	2	3	4	5	6
5.6 伙計主動帶我到已清潔嘅桌子, 使我不用等候。	1	2	3	4	5	6
5.7 伙計向我解釋, 令我了解茶餐廳所提供嘅食物。	1	2	3	4	5	6
5.8 伙計主動與廚房聯繫, 減少我等候嘅時間。	1	2	3	4	5	6
5.9 伙計主動做好配套工作 (例如人多即搬枱加櫈, 關風扇如太凍), 令茶餐廳嘅優勢得以發揮。	1	2	3	4	5	6
5.10 當我不知如何點菜時, 伙計會比意見, 減少點錯菜式嘅機會。	1	2	3	4	5	6
5.11 伙計主動與廚房講出我嘅要求, 使菜式更合我嘅口味。	1	2	3	4	5	6
5.12 伙計與廚房配搭得宜, 好有默契。	1	2	3	4	5	6
5.13 伙計非常醒目, 同廚房又有默契, 使我點菜時更為順利。	1	2	3	4	5	6
5.14 伙計同我密切聯繫, 盡量做到我嘅心水。	1	2	3	4	5	6
5.15 伙計同我加強溝通, 務求菜式適合我嘅口味。	1	2	3	4	5	6
5.16 伙計同我一齊用心挑選合我胃口及價錢嘅菜式, 令我享受一餐美食。	1	2	3	4	5	6
5.17 面對重要決定時, 伙計同我都會考慮彼此嘅利益。	1	2	3	4	5	6
5.18 伙計同我力求意見一致。	1	2	3	4	5	6
5.19 伙計同我共同挑選菜色。	1	2	3	4	5	6
5.20 無論哪一方出現失誤時, 伙計同我都會共同承擔責任。	1	2	3	4	5	6
5.21 伙計盡量跟隨我嘅方法辦事。	1	2	3	4	5	6
5.22 伙計盡量跟隨我嘅意見行事。	1	2	3	4	5	6
5.23 伙計盡量跟隨我嘅要求 (例如少油, 獻汁分開上), 餐廳會調整煮法以配合我。	1	2	3	4	5	6
5.24 商議菜式時, 伙計會跟隨我嘅想法。	1	2	3	4	5	6
5.25 伙計調整餐廳嘅菜式以配合我嘅要求。	1	2	3	4	5	6

第六部份：以下是一些有關茶餐廳顧客與伙計相互關係的句子，請你根據你幫襯開那一間茶餐廳嘅經驗來作答。請以 1 至 6 的其中一個數目字來表示你是否同意以下嘅句子：1 表示 “極不同意” 而 6 表示 “極為同意”。

	極不同意	極為同意
6.1 我哋互相信任。	1 2 3 4 5 6	
6.2 喺重要事情上，伙計畀可信賴嘅人。	1 2 3 4 5 6	
6.3 喺一般事情上，伙計畀可信賴嘅人。	1 2 3 4 5 6	
6.4 我相信伙計畀誠實可靠嘅人。	1 2 3 4 5 6	
6.5 我哋嘅關係建立喺互相依賴之上。	1 2 3 4 5 6	
6.6 我哋努力建立長久關係。	1 2 3 4 5 6	
6.7 我哋緊密合作。	1 2 3 4 5 6	
6.8 我哋保持緊密聯繫(例如伙計會否主動留意/跟進漏單情況)。	1 2 3 4 5 6	
6.9 我哋從對方嘅立場去看事物。	1 2 3 4 5 6	
6.10 我哋了解彼此嘅感受 (例如我們雙方都盡量保持禮貌)。	1 2 3 4 5 6	
6.11 我哋了解彼此嘅價值觀 (例如食物質素)。	1 2 3 4 5 6	
6.12 我哋關注對方嘅感受。	1 2 3 4 5 6	
6.13 「感恩圖報」畀我哋嘅共同見解。	1 2 3 4 5 6	
6.14 我哋遵守互報嘅原則。	1 2 3 4 5 6	
6.15 若然伙計幫了我,我都會幫返佢。	1 2 3 4 5 6	

第七部份：以下嘅資料將用作分類用途。

7.1 性別：☐ 男 ☐ 女

7.2 年齡：

☐ 18-29 ☐ 30-39 ☐ 40-49 ☐ 50-59 ☐ 60 或以上

7.3 教育程度：

☐ 小學六年級或以下

☐ 中一至中七

☐ 專上或大學程度

☐ 研究院

7.4 家庭每月收入（港幣）：

☐ \$9,999 或以下

☐ \$10,000 - \$29,999

☐ \$30,000 - \$49,999

☐ \$50,000 或以上

☐ 不清楚

7.5 上述提及你一向幫襯開那一間茶餐廳，究竟你幫襯咗幾耐？_____年_____月

7.6 請問您喺過去嘅一星期內總共幫襯過幾多次茶餐廳？_____次

7.7 請問您最近一次喺唔喺同朋友一齊幫襯茶餐廳？

☐ 喺 ☐ 唔喺 咁幾多人？_____

問卷完。多謝合作。

Appendix 4.3 Factor Loadings for the Six-factor Structure

Rotated Component Matrix^a

	Component					
	1	2	3	4	5	6
r20						
r21		.706				
r22		.795				
r23		.756				
r8	.686					
r9	.697					
r11	.676					
r30			.805			
r31			.772			
r32			.822			
r16				.717		
r17				.645		
r18				.636		
r27					.825	
r28					.816	
r29					.709	
r1	.782					
r2	.752					
r3	.728					
r12						.849
r13						.836
r15						.530

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Appendix 4.4 Factor Loadings for the Eight-factor Structure

Rotated Component Matrix ^a								
	Component							
	1	2	3	4	5	6	7	8
r20	.541							
r21	.715							
r22	.852							
r23	.833							
r8			.737					
r9			.768					
r11			.782					
r30		.840						
r31		.774						
r32		.835						
r16						.624		
r17						.798		
r18						.797		
r27					.818			
r28					.797			
r29					.751			
r1				.614				
r2				.833				
r3				.847				
r12							.877	
r13							.823	
r15								.717

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.